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# ANNUAL STATISTICS

# of

# WATER COMPANIES

# 1986-1987

Prepared by Revenue Requirements Section
November 1988

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
Olympia, Washington
98504

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# ANALYSIS OF WATER UTILITIES IN THE STATE OF WASHINGTON

## YEAR 1987

Introduction:

This statistical report incorporates the results of operations for the calendar year 1987 for various privately owned water utilities that are regulated by this Commission.

The last publication of water statistics was issued in October 1987 and the annual report form was derived from the Uniform System of Accounts (1984) adopted by the National Association of Regulatory Utility Commissioners (NARUC) with slight modifications.

The annual report format is somewhat more elaborate for Class A & B companies with revenues in excess of $150,000; the format is minimal for Class C companies with revenues less than $150,000.

The detailed statistical tables presented for the Class A & B companies consist of:

1) Balance Sheet -- Assets
2) Balance Sheet -- Liabilities
3) Net Operating Income Statement
4) Plant Statistics and Related Information
5) Depreciation Reserve Schedule
6) Average Service Life and Depreciation Rate
7) Utility Plant Accounts

The statistical data are presented for the years 1986 and 1987 for purposes of comparison. Please see Appendix 1 for these tables and corresponding state totals.

The detailed statistical tables are presented for Class C companies in Appendix 2. These consist of:

1) Balance Sheet
2) Net Operating Income Statement

3) Plant Statistics and Related Information

4) Accumulated Depreciation Schedule

5) Average Service Life and Depreciation Rate

6) Utility Plant Accounts

The statistical data are presented for the years 1986 and 1987 and the Class C companies are arranged alphabetically.

List of Companies:

Table 1 lists alphabetically all the water companies that were under regulation by this commission during 1987.

The following companies went out of regulation in 1987 and they are excluded from this report:

Alderwood Estates Water, Inc. (Sold to Alderton-McMillin)
Boston Harbor Water System Corp. (Sold to City of Olympia)
Lakeridge Water Co.
Rivervale Water Company (Sold to Association)

The (1987) annual reports for the following water companies have not been received as of November 1, 1988:

Desert Water Company
Gamble Bay Water Company (Registered in 1988)
H & R Water Works
Marvin Road Water Company
Pacific Beach Water, Inc.
Pelican Point Water Company
Point Fosdick Water Company, Inc.
Sound Water Company, Inc.
Whidbey West Water Company
William F. Kohlwes Water Company

Results:

The Water Companies listed in Table 1 have been arranged by descending order of 1987 revenues in Table 2. From Table 2, similar sized companies may be selected for further comparison.

Summary statistics and corresponding state totals for all the reported companies are given in Table 3. Changes from 1986 to 1987 are not strictly comparable as the coverage of reported companies changes from year to year. The detailed financial statements as reported by the companies are given in Appendix 1 and 2. Also, some of the data for 1986 have been revised from the previous report.

Readers are requested to send their suggestions and comments to the attention of Dr. S. Ananda Rao, Coordinator, Reports and Statistics, either in writing or by phone at (206)753-3006.

Table 1 - Alphabetical List of Water Companies

| CLASS | NAME OF WATER COMPANIES | OPERATING REVENUE(1987) ($) | CUSTOMERS (#) |
|---|---|---|---|
| C | Admiral's Cove, Inc. | $16,400 | 175 |
| C | Alderbrook Water Company, Inc. | 88,440 | 692 |
| C | Alderton-Mcmillin Water Supply, Inc. | 153,647 | 583 |
| C | Basin Water Sources, Inc. | 59,422 | 268 |
| C | Burton Water Company | 38,935 | 353 |
| C | Canyon Village Water Systems, Inc. | 10,921 | 43 |
| C | Crosswoods Water Company, Inc. | 17,775 | 127 |
| C | Dawn Park Water, Inc. | 20,190 | 115 |
| C | Desert Water Company | N/A | N/A |
| C | Diamond Point Water Company | 20,460 | 127 |
| C | Dishman Water Company, Inc. | 32,613 | 101 |
| C | El Rancho Water Company, Inc. | 72,467 | 263 |
| C | Elliott Lake | 13,306 | 46 |
| C | Estates | 21,399 | 113 |
| C | Evergreen Land & Water, Inc. | 37,960 | 192 |
| C | Frog Pond Waters, Inc. | 44,866 | 347 |
| C | G & W Aqua Water Company | 19,496 | 52 |
| C | Gold Beach Water Company | 21,055 | 100 |
| C | H & R Water Works | N/A | N/A |
| C | H2O Company, The | 43,163 | 305 |
| B | Harbor Water Company, Inc., | 667,820 | 3,596 |
| C | Harrison-Ray Water Company, Inc. | 74,010 | 207 |
| C | Indian Springs Water Company | 46,622 | 242 |
| C | Island Lake Water Company | 32,945 | 168 |
| C | Kala Point Utility Company | 51,998 | 211 |
| C | Lakeland Village Water Company, Inc. | 24,754 | 214 |
| C | Lara Lee, Inc. | 23,688 | 80 |
| C | Little Spokane River Water System, Inc. | 3,876 | 31 |
| C | Ludlow Utilities Company | 100,938 | 496 |
| C | Marvin Road Water Company | N/A | N/A |
| C | Mirrormont Services, Inc. | 123,098 | 622 |
| C | North Bainbridge Water Company | 149,704 | 919 |
| C | North Woodland Water System, Inc. | 21,447 | 110 |
| C | Northwest Water System | 27,335 | 155 |
| C | Oak Park Water Company, Inc., The | 24,368 | 116 |
| C | Pacific Beach Water, Inc. | N/A | N/A |
| C | Pattison Water Company | 60,072 | 306 |
| C | Pelican Point Water Company | N/A | N/A |
| C | Point Fosdick Water Co., Inc. | N/A | N/A |
| C | Raft Island Water Company | 23,802 | 155 |
| B | Richardson Water Company | 459,827 | 3,467 |
| C | Sanderson & Associates, Incorporated | 67,560 | 312 |
| C | Saratoga Water, Inc. | 30,672 | 152 |
| C | Sea View Water Company | 24,669 | 135 |
| C | Solmar Water System, Inc. | 37,527 | 237 |
| C | Sound Water Company, Incorporated | N/A | N/A |
| C | South Bainbridge Water System, Inc., | 123,114 | 368 |
| B | South Sound Utility, Co., Inc., | 320,154 | 1,510 |
| A | Spokane Suburban Water Company | 1,693,895 | 6,723 |
| C | Stroh Water Co. | 59,296 | 332 |
| C | Terraced Estates Water Co. | 29,399 | 156 |
| C | View Royal Water Company | 18,286 | 99 |
| C | West Pasco Water System Inc., | 107,902 | 634 |
| C | Westbourne Acres Water Corporation | 11,055 | 31 |
| C | Whidbey West Water Company | N/A | N/A |
| C | William F.Kohlwes Water Company | N/A | N/A |
| C | W. B. Water Works | 24,073 | 300 |
| C | W.Main Corporation, The -Utilities Divn. | 21,109 | 113 |
| | TOTAL | $5,217,530 | $26,199 |

Note: Please see text where data is Not Available (N/A).

Table 2 - Water Companies sorted by 1987 Operating Revenues.

| CLASS | NAME OF WATER COMPANIES | OPERATING REVENUE(1987) ($) | CUSTOMERS (#) |
|---|---|---|---|
| A | Spokane Suburban Water Company | 1,693,895 | 6,723 |
| B | Harbor Water Company, Inc., | 667,820 | 3,596 |
| B | Richardson Water Company | 459,827 | 3,467 |
| B | South Sound Utility, Co., Inc., | 320,154 | 1,510 |
| C | Alderton-Mcmillin Water Supply, Inc. | 153,647 | 583 |
| C | North Bainbridge Water Company | 149,704 | 919 |
| C | South Bainbridge Water System, Inc., | 123,114 | 368 |
| C | Mirrormont Services, Inc. | 123,098 | 622 |
| C | West Pasco Water System Inc., | 107,902 | 634 |
| C | Ludlow Utilities Company | 100,938 | 496 |
| C | Alderbrook Water Company, Inc. | 88,440 | 692 |
| C | Harrison-Ray Water Company, Inc. | 74,010 | 207 |
| C | El Rancho Water Company, Inc. | 72,467 | 263 |
| C | Sanderson & Associates, Incorporated | 67,560 | 312 |
| C | Pattison Water Company | 60,072 | 306 |
| C | Basin Water Sources, Inc. | 59,422 | 268 |
| C | Stroh Water Co. | 59,296 | 332 |
| C | Kala Point Utility Company | 51,998 | 211 |
| C | Indian Springs Water Company | 46,622 | 242 |
| C | Frog Pond Waters, Inc. | 44,866 | 347 |
| C | H2O Company, The | 43,163 | 305 |
| C | Burton Water Company | 38,935 | 353 |
| C | Evergreen Land & Water, Inc. | 37,960 | 192 |
| C | Solmar Water System, Inc. | 37,527 | 237 |
| C | Island Lake Water Company | 32,945 | 168 |
| C | Dishman Water Company, Inc. | 32,613 | 101 |
| C | Saratoga Water, Inc. | 30,672 | 152 |
| C | Terraced Estates Water Co. | 29,399 | 156 |
| C | Northwest Water System | 27,335 | 155 |
| C | Lakeland Village Water Company, Inc. | 24,754 | 214 |
| C | Sea View Water Company | 24,669 | 135 |
| C | Oak Park Water Company, Inc., The | 24,368 | 116 |
| C | W. B. Water Works | 24,073 | 300 |
| C | Raft Island Water Company | 23,802 | 155 |
| C | Lara Lee, Inc. | 23,688 | 80 |
| C | North Woodland Water System, Inc. | 21,447 | 110 |
| C | Estates | 21,399 | 113 |
| C | W.Main Corporation, The -Utilities Divn. | 21,109 | 113 |
| C | Gold Beach Water Company | 21,055 | 100 |
| C | Diamond Point Water Company | 20,460 | 127 |
| C | Dawn Park Water, Inc. | 20,190 | 115 |
| C | G & W Aqua Water Company | 19,496 | 52 |
| C | View Royal Water Company | 18,286 | 99 |
| C | Crosswoods Water Company, Inc. | 17,775 | 127 |
| C | Admiral's Cove, Inc. | $16,400 | 175 |
| C | Elliott Lake | 13,306 | 46 |
| C | Westbourne Acres Water Corporation | 11,055 | 31 |
| C | Canyon Village Water Systems, Inc. | 10,921 | 43 |
| C | Little Spokane River Water System, Inc. | 3,876 | 31 |
| C | Desert Water Company | N/A | N/A |
| C | H & R Water Works | N/A | N/A |
| C | Marvin Road Water Company | N/A | N/A |
| C | Meadows Water Company, Inc. | N/A | N/A |
| C | Pacific Beach Water, Inc. | N/A | N/A |
| C | Pelican Point Water Company | N/A | N/A |
| C | Point Fosdick Water Co., Inc. | N/A | N/A |
| C | Sound Water Company, Incorporated | N/A | N/A |
| C | Whidbey West Water Company | N/A | N/A |
| C | William F.Kohlwes Water Company | N/A | N/A |
| | TOTAL | $5,217,530 | $26,199 |

Note: Please see text where data is Not Available (N/A).

Appendix 1: Financial Statements of Class A & B Companies

| Class | Name of Water Company |
|---|---|
| B | Harbor Water Co., Inc. |
| B | Richardson Water Companies |
| B | South Sound Utility Co., Inc., |
| A | Spokane Suburban Water Company |

Table 3: SUMMARY STATISTICS OF REPORTED WATER COMPANIES

| SUMMARY STATISTICS | 1986 Class A or B Companies | 1986 Class C Companies | 1986 Total State | 1987 Class A or B Companies | 1987 Class C Companies | 1987 Total state |
|---|---|---|---|---|---|---|
| Operating Revenues | $3,537,384 | $2,084,914 | $5,622,298 | $3,770,810 | $2,075,835 | $5,846,645 |
| Total Operation & Maintenance Expenses | 1,888,250 | 1,503,464 | 3,391,714 | 2,054,763 | 1,430,958 | 3,485,721 |
| Depreciation & Amortization Expenses | 312,674 | 344,475 | 657,149 | 313,210 | 340,286 | 653,496 |
| Taxes | 677,679 | 215,371 | 893,050 | 773,723 | 221,163 | 994,886 |
| Total Operating Expenses | 2,878,603 | 2,063,310 | 4,941,913 | 3,141,696 | 1,992,407 | 5,134,103 |
| Net Operating Income | 658,781 | 21,604 | 680,385 | 629,114 | 83,428 | 712,542 |
| Other Income | 170,972 | 169,317 | 340,289 | 297,902 | 280,445 | 578,347 |
| Other Deductions | 498,807 | 395,080 | 893,887 | 604,047 | 448,124 | 1,052,171 |
| Net Income | 330,946 | (204,159) | 126,787 | 322,969 | (84,251) | 238,718 |
| Total Utility Plant | 17,086,070 | 15,464,393 | 32,550,463 | 17,767,965 | 14,315,622 | 32,083,587 |
| Less: Acc.Depreciation & Amortization | 3,889,623 | 3,579,960 | 7,469,583 | 4,221,530 | 3,989,207 | 8,210,737 |
| Contribution in aid of Constn. | 6,306,987 | 4,904,189 | 11,211,176 | 6,630,640 | 4,153,034 | 10,783,674 |
| Net Utility Plant | $6,889,460 | $6,980,244 | $13,869,704 | $6,915,795 | $6,173,381 | $13,089,176 |

CLASS A & B WATER UTILITIES
BALANCE SHEET & RELATED RATIOS
DECEMBER 31, 1986 & 1987

| BALANCE SHEET: ASSETS AND OTHER DEBITS | HARBOR WATER COMPANY, INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO., INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| NET UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT | $4,472,257 | $4,772,683 | $2,918,094 | $3,329,888 | $1,200,425 | $1,262,422 | $8,495,294 | $8,402,972 | $17,086,070 | $17,767,965 |
| LESS: ACC. DEPRECIATION & AMORTIZATION | 487,371 | 642,374 | 258,156 | 303,647 | 216,986 | 242,919 | 2,927,110 | 3,032,590 | 3,889,623 | 4,221,530 |
| UTILITY PLANT ACQUISITION ADJUSTMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER UTILITY PLANT ADJUSTMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET UTILITY PLANT | 3,984,886 | 4,130,309 | 2,659,938 | 3,026,241 | 983,439 | 1,019,503 | 5,568,184 | 5,370,382 | 13,196,447 | 13,546,435 |
| OTHER PROPERTY AND INVESTMENTS: | | | | | | | | | | |
| NONUTILITY PROPERTY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LESS: ACC. DEPRECIATION & AMORTIZATION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INVESTMENT IN ASSOCIATED COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| UTILITY INVESTMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER INVESTMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OTHER PROPERTY AND INVESTMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CURRENT AND ACCRUED ASSETS: | | | | | | | | | | |
| CASH | 4,377 | 523 | 74,918 | 69,581 | 24,987 | 39,490 | 91,634 | 332,026 | 195,916 | 441,620 |
| SPECIAL DEPOSITS | 18,738 | 45,266 | 0 | 0 | 17,313 | 58,365 | 0 | 0 | 36,051 | 103,631 |
| OTHER SPECIAL DEPOSITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WORKING FUNDS | 0 | 0 | 0 | 0 | 0 | 0 | 600 | 7,650 | 600 | 7,650 |
| TEMPORARY CASH INVESTMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ACCOUNTS AND NOTES RECEIVABLE(NET) | 75,433 | 57,079 | 40,451 | 47,173 | 33,641 | 37,483 | 42,687 | 72,305 | 192,212 | 214,040 |
| ACCTS RECEIVABLE FROM ASSOCIATED COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NOTES RECEIVABLE FROM ASSOCIATED COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MATERIALS AND SUPPLIES | 39,010 | 36,293 | 0 | 0 | 0 | 5,689 | 29,493 | 38,525 | 68,503 | 80,507 |
| STORES EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PREPAYMENTS | 0 | 1,559 | 0 | 0 | 3,384 | 19,069 | 13,884 | 7,105 | 17,268 | 27,733 |
| ACCRUED INTEREST AND DIVIDENDS RECEIVABLE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RENTS RECEIVABLE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ACCRUED UTILITY REVENUES | 0 | 0 | 0 | 0 | 0 | 0 | 114,999 | 112,027 | 114,999 | 112,027 |
| MISC. CURRENT AND ACCRUED ASSETS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CURRENT AND ACCRUED ASSETS | 137,558 | 140,720 | 115,369 | 116,754 | 79,325 | 160,096 | 293,297 | 569,638 | 625,549 | 987,208 |
| DEFERRED DEBITS: | | | | | | | | | | |
| UNAMORTIZED DEBT DISCOUNT & EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EXTRAORDINARY PROPERTY LOSSES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PRELIMINARY SURVEY & INVESTIGATION CHARGES | 0 | 0 | 0 | 0 | 0 | 0 | 5,409 | 300 | 5,409 | 300 |
| CLEARING ACCOUNTS | 0 | 0 | 0 | 0 | 0 | 7,072 | 0 | 1,781 | 0 | 8,853 |
| TEMPORARY FACILITIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MISC. DEFERRED DEBITS | 0 | 23,683 | 0 | 0 | 0 | 0 | 38,653 | 31,721 | 38,653 | 55,404 |
| RESEARCH & DEVELOPMENT EXPENDITURES | 0 | 0 | 0 | 0 | 9,540 | 0 | 0 | 0 | 9,540 | 0 |
| ACCUMULATED DEFERRED INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DEFERRED DEBITS | 0 | 23,683 | 0 | 0 | 9,540 | 7,072 | 44,062 | 33,802 | 53,602 | 64,557 |
| TOTAL ASSETS & OTHER DEBITS | $4,122,444 | $4,294,712 | $2,775,307 | $3,142,995 | $1,072,304 | $1,186,671 | $5,905,543 | $5,973,822 | $13,875,598 | $14,598,200 |

CLASS A & B WATER UTILITIES
BALANCE SHEET & RELATED RATIOS
DECEMBER 31, 1986 & 1987

| BALANCE SHEET: EQUITY CAPITAL & LIABILITIES | HARBOR WATER COMPANY, INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO., INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| EQUITY CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $13,570 | $13,570 | $0 | $0 | $5,000 | $5,000 | $1 | $1 | $18,571 | $18,571 |
| PREFERRED STOCK ISSUED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL STOCK SUBSCRIBED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL STOCK LIABILITY FOR CONVERSION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PREMIUM ON CAPITAL STOCK | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| REDUCTION IN PAR/STATED VALUE OF CAP.STOCK | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GAIN ON RESALE/CAN.OF REACQUIRED CAP.STOCK | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER PAID-IN CAPITAL | 63,188 | 63,188 | 0 | 0 | 19,109 | 19,109 | 4,779,104 | 4,782,447 | 4,861,401 | 4,864,744 |
| DISCOUNT ON CAPITAL STOCK | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL STOCK EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RETAINED EARNINGS | 126,276 | 15,698 | 0 | 0 | 205,139 | 261,476 | 8,185 | 33,773 | 339,600 | 310,947 |
| REACQUIRED CAPITAL STOCK | (90,817) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (90,817) | 0 |
| PROPRIETARY CAPITAL | 0 | 0 | 4,342 | 1,277 | 0 | 0 | 0 | 0 | 4,342 | 1,277 |
| TOTAL EQUITY CAPITAL | 112,217 | 92,456 | 4,342 | 1,277 | 229,248 | 285,585 | 4,787,290 | 4,816,221 | 5,133,097 | 5,195,539 |
| LONG-TERM DEBT: | | | | | | | | | | |
| BONDS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| REACQUIRED BONDS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ADVANCES FROM ASSOCIATED COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER LONG-TERM DEBT | 854,206 | 801,259 | 527,976 | 585,135 | 474,614 | 473,318 | 0 | 0 | 1,856,796 | 1,859,712 |
| TOTAL LONG-TERM DEBT | 854,206 | 801,259 | 527,976 | 585,135 | 474,614 | 473,318 | 0 | 0 | 1,856,796 | 1,859,712 |
| CURRENT AND ACCRUED LIABILITIES: | | | | | | | | | | |
| ACCOUNTS PAYABLE | 24,890 | 14,944 | 65,362 | 29,306 | 25,812 | 15,808 | 12,086 | 45,821 | 128,150 | 105,879 |
| NOTES PAYABLE | 0 | 0 | 9,000 | 39,100 | 0 | 0 | 0 | 0 | 9,000 | 39,100 |
| ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES | 0 | 0 | 0 | 73,273 | 0 | 0 | 0 | 0 | 0 | 73,273 |
| NOTES PAYABLE TO ASSOCIATED COMPANIES | 0 | 0 | 0 | 0 | 50,659 | 61,700 | 0 | 0 | 50,659 | 61,700 |
| CUSTOMER DEPOSITS | 0 | 0 | 10,268 | 10,268 | 3,242 | 2,808 | 0 | 0 | 13,510 | 13,076 |
| ACCRUED TAXES | 10,209 | 52,451 | 6,777 | 32,090 | 360 | 6,059 | 50,296 | 50,104 | 67,642 | 140,704 |
| ACCRUED INTEREST | 0 | 0 | 0 | 0 | 0 | 5,462 | 0 | 0 | 0 | 5,462 |
| ACCRUED DIVIDENDS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MATURED LONG-TERM DEBT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MATURED INTEREST | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MISC. CURRENT AND ACCRUED LIABILITIES | 0 | 0 | 0 | 0 | 0 | 6,962 | 43,748 | 38,395 | 43,748 | 45,357 |
| TOTAL CURRENT AND ACCRUED LIABILITIES | 35,099 | 67,395 | 91,407 | 184,037 | 80,073 | 98,799 | 106,130 | 134,320 | 312,709 | 484,551 |
| DEFERRED CREDITS: | | | | | | | | | | |
| UNAMORTIZED PREMIUM ON DEBT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ADVANCES FOR CONSTRUCTION | 26,041 | 96,448 | 0 | 0 | 0 | 0 | 0 | 0 | 26,041 | 96,448 |
| OTHER DEFERRED CREDITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,491 | 0 | 3,491 |
| ACC. DEFERRED INVESTMENT TAX CREDITS | 0 | 0 | 0 | 0 | 0 | 0 | 56,134 | 59,390 | 56,134 | 59,390 |
| TOTAL DEFERRED CREDITS | 26,041 | 96,448 | 0 | 0 | 0 | 0 | 56,134 | 62,881 | 82,175 | 159,329 |

CLASS A & B WATER UTILITIES
BALANCE SHEET & RELATED RATIOS
DECEMBER 31, 1986 & 1987

| BALANCE SHEET: EQUITY CAPITAL & LIABILITIES(CONT.) | HARBOR WATER COMPANY, INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO., INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| OPERATING RESERVES: | | | | | | | | | | |
| PROPERTY INSURANCE RESERVE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INJURIES AND DAMAGES RESERVE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PENSIONS AND BENEFITS RESERVE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MISC. OPERATING RESERVES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING RESERVES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRIBUTIONS IN AID OF CONSTRUCTION: | | | | | | | | | | |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | 3,303,813 | 3,526,048 | 2,151,582 | 2,372,546 | 325,935 | 373,673 | 911,301 | 908,342 | 6,692,631 | 7,180,609 |
| ACC. AMORT. OF CONT.IN AID OF CONSTRUCTION | (232,454) | (356,680) | 0 | 0 | (37,566) | (44,704) | (115,624) | (148,585) | (385,644) | (549,969) |
| TOTAL NET C.I.A.C. | 3,071,359 | 3,169,368 | 2,151,582 | 2,372,546 | 288,369 | 328,969 | 795,677 | 759,757 | 6,306,987 | 6,630,640 |
| ACCUMULATED DEFERRED INCOME TAXES: | | | | | | | | | | |
| ACC. DEF. INCOME TAXES-ACCEL. DEPRECIATION | 16,668 | 47,962 | 0 | 0 | 0 | 0 | 146,568 | 196,215 | 163,236 | 244,177 |
| ACC. DEF. INCOME TAXES-LIBER. DEPRECIATION | 0 | 0 | 0 | 0 | 0 | 0 | 13,744 | 4,428 | 13,744 | 4,428 |
| ACCUMULATED DEFERRED INCOME TAXES-OTHER | 6,854 | 19,824 | 0 | 0 | 0 | 0 | 0 | 0 | 6,854 | 19,824 |
| TOTAL ACCUM. DEFERRED INCOME TAXES | 23,522 | 67,786 | 0 | 0 | 0 | 0 | 160,312 | 200,643 | 183,834 | 268,429 |
| TOTAL EQUITY CAPITAL AND LIABILITIES | $4,122,444 | $4,294,712 | $2,775,307 | $3,142,995 | $1,072,304 | $1,186,671 | $5,905,543 | $5,973,822 | $13,875,598 | $14,598,200 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO TOTAL UTILITY PLANT | 10.90% | 13.46% | 8.85% | 9.12% | 18.08% | 19.24% | 34.46% | 36.09% | 22.76% | 23.76% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 88.39% | 89.65% | 99.18% | 99.78% | 67.43% | 62.37% | 0.00% | 0.00% | 26.56% | 26.36% |

CLASS A & B WATER UTILITIES
NET INCOME STATEMENT
DECEMBER 31, 1986 & 1987

| | HARBOR WATER COMPANY,INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO.,INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| OPERATING REVENUE: | | | | | | | | | | |
| UNMETERED WATER REVENUE | $31,137 | $35,067 | $50,559 | $31,708 | $5,347 | $5,494 | $0 | $0 | $87,043 | $72,269 |
| METERED SALES-RESIDENTIAL | 554,820 | 618,076 | 417,300 | 534,963 | 290,833 | 320,182 | 1,976,948 | 2,021,573 | 3,239,901 | 3,494,794 |
| METERED SALES-COMMERCIAL | 0 | 0 | 0 | 0 | 11,056 | 10,135 | 146,720 | 133,193 | 157,776 | 143,328 |
| METERED SALES-INDUSTRIAL | 0 | 0 | 0 | 0 | 0 | 0 | 9,142 | 15,972 | 9,142 | 15,972 |
| METERED SALES-PUBLIC AUTHORITIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| METERED SALES-MULTIPLE FAMILY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER SALES OF WATER | 0 | 0 | 0 | 0 | 0 | 0 | 5,002 | 3,090 | 5,002 | 3,090 |
| OTHER WATER REVENUE | 26,982 | 29,280 | 3,744 | 2,011 | 4,812 | 6,925 | 2,982 | 3,141 | 38,520 | 41,357 |
| TOTAL OPERATING REVENUES | 612,939 | 682,423 | 471,603 | 568,682 | 312,048 | 342,736 | 2,140,794 | 2,176,969 | 3,537,384 | 3,770,810 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 66,678 | 64,263 | 0 | 0 | 125,119 | 86,021 | 331,949 | 347,840 | 523,746 | 498,124 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | 70,639 | 99,817 | 0 | 0 | 0 | 42,569 | 0 | 25,553 | 70,639 | 167,939 |
| EMPLOYEE PENSION & BENEFITS | 21,293 | 40,206 | 0 | 0 | 13,504 | 15,263 | 60,145 | 86,148 | 94,942 | 141,617 |
| PURCHASED WATER | 0 | 0 | 0 | 0 | 9,540 | 1,449 | 47,190 | 42,497 | 56,730 | 43,946 |
| PURCHASED POWER | 78,554 | 85,129 | 0 | 0 | 23,687 | 27,310 | 226,043 | 230,715 | 328,284 | 343,154 |
| FUEL FOR POWER PRODUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHEMICALS | 0 | 0 | 0 | 0 | 67 | 250 | 1,737 | 318 | 1,804 | 568 |
| MATERIALS & SUPPLIES | 63,150 | 49,842 | 0 | 0 | 0 | 0 | 59,373 | 69,160 | 122,523 | 119,002 |
| CONTRACTUAL SERVICES | 13,993 | 21,736 | 0 | 0 | 14,392 | 5,952 | 105,405 | 138,228 | 133,790 | 165,916 |
| RENTS | 0 | 0 | 0 | 0 | 11,737 | 10,397 | 11,131 | 10,349 | 22,868 | 20,746 |
| TRANSPORTATION EXPENSE | 17,060 | 23,170 | 0 | 0 | 6,275 | 3,958 | 22,207 | 22,638 | 45,542 | 49,766 |
| INSURANCE EXPENSE | 19,671 | 25,784 | 0 | 0 | 8,045 | 8,663 | 36,045 | 46,021 | 63,761 | 80,468 |
| ADVERTISING EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 103 | 5 | 103 |
| REGULATORY COMMISSION EXPENSES | 718 | 0 | 0 | 0 | 382 | 460 | 22,761 | 20,526 | 23,861 | 20,986 |
| BAD DEBT EXPENSE | 2,843 | 614 | 0 | 0 | 1,103 | 1,956 | 7,549 | 13,173 | 11,495 | 15,743 |
| MISCELLANEOUS EXPENSES | 27,840 | 29,813 | 303,055 | 285,168 | 27,696 | 37,611 | 29,669 | 34,093 | 388,260 | 386,685 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 382,439 | 440,374 | 303,055 | 285,168 | 241,547 | 241,859 | 961,209 | 1,087,362 | 1,888,250 | 2,054,763 |
| DEPRECIATION EXPENSE | 44,628 | 38,299 | 41,909 | 45,491 | 36,983 | 35,569 | 189,154 | 193,851 | 312,674 | 313,210 |
| AMORTIZATION-UTILITY PLANT ACQ. ADJ. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| AMORTIZATION EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TAXES OTHER THAN INCOME | 85,066 | 103,493 | 58,403 | 129,168 | 32,316 | 36,726 | 224,161 | 220,782 | 399,946 | 490,169 |
| INCOME TAXES | 21,461 | 85,654 | 0 | 0 | 0 | 6,000 | 223,110 | 143,859 | 244,571 | 235,513 |
| DEFERRED FEDERAL INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 59,162 | 58,391 | 59,162 | 58,391 |
| DEFERRED STATE INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROVISION FOR DEFERRED INCOME TAXES-CREDIT | 0 | 0 | 0 | 0 | 0 | 0 | (19,685) | (4,408) | (19,685) | (4,408) |
| INVESTMENT TAX CRED. DEF.TO FUTURE PERIODS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INVESTMENT TAX CRED. RESTORED TO OP.INCOME | 0 | 0 | 0 | 0 | 0 | 0 | (6,315) | (5,942) | (6,315) | (5,942) |
| TOTAL OPERATING EXPENSES | 533,594 | 667,820 | 403,367 | 459,827 | 310,846 | 320,154 | 1,630,796 | 1,693,895 | 2,878,603 | 3,141,696 |
| UTILITY OPERATING INCOME(LOSS) | 79,345 | 14,603 | 68,236 | 108,855 | 1,202 | 22,582 | 509,998 | 483,074 | 658,781 | 629,114 |
| INCOME FROM UTILITY PLANT LEASED TO OTHERS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GAINS/LOSSES FROM DISP.OF UTILITY PROPERTY | (23,683) | 2,300 | 0 | 0 | 0 | 0 | 0 | 0 | (23,683) | 2,300 |
| TOTAL UTILITY OPERATING INCOME(LOSS) | $55,662 | $16,903 | $68,236 | $108,855 | $1,202 | $22,582 | $509,998 | $483,074 | $635,098 | $631,414 |

Appendix 2: Financial Statements of Class C Water Companies

| Class | # | Name of Water Company |
|---|---|---|
| C | 1 | Admiral's Cove, Inc. |
| C | 2 | Alderbrook Water Company, Inc. |
| C | 3 | Alderton-Mcmillin Water Supply, Inc. |
| C | 4 | Alderwood Estates Water, Inc. |
| C | 5 | Basin Water Sources, Inc. |
| C | 6 | Boston Harbor Water Systems Corporation |
| C | 7 | Burton Water Company |
| C | 8 | Canyon Village Water Systems, Inc. |
| C | 9 | Crosswoods Water Company, Inc. |
| C | 10 | Dawn Park Water, Inc. |
| C | 11 | Desert Water Company |
| C | 12 | Diamond Point Water Company |
| C | 13 | Dishman Water Company, Inc. |
| C | 14 | El Rancho Water Company, Inc. |
| C | 15 | Elliott Lake |
| C | 16 | Estates |
| C | 17 | Evergreen Land & Water, Inc. |
| C | 18 | Frog Pond Waters, Inc. |
| C | 19 | G & W Aqua Water Company |
| C | 20 | Gamble Bay Water Company |
| C | 21 | Gold Beach Water Company |
| C | 22 | H & R Water Works |
| C | 23 | H2O Company, The |
| C | 24 | Harrison-Ray Water Company, Inc. |
| C | 25 | Indian Springs Water Company |
| C | 26 | Island Lake Water Company |
| C | 27 | Kala Point Utility Company |
| C | 28 | Lakeland Village Water Company, Inc. |
| C | 29 | Lara Lee, Inc. |
| C | 30 | Little Spokane River Water System, Inc. |
| C | 31 | Ludlow Utilities Company |
| C | 32 | Marvin Road Water Company |
| C | 33 | Meadows Water Company, Inc. |
| C | 34 | Mirrormont Services, Inc. |
| C | 35 | North Bainbridge Water Company |
| C | 36 | North Woodland Water System, Inc. |
| C | 37 | Northwest Water System |
| C | 38 | Oak Park Water Company, Inc., The |
| C | 39 | Pacific Beach Water, Inc. |
| C | 40 | Pattison Water Company |
| C | 41 | Pelican Point Water Company |
| C | 42 | Point Fosdick Water Co., Inc. |
| C | 43 | Raft Island Water Company |
| C | 44 | Rivervale Water Company |
| C | 45 | Sanderson & Associates, Incorporated |
| C | 46 | Saratoga Water, Inc. |
| C | 47 | Sea View Water Company |
| C | 48 | Solmar Water System, Inc. |
| C | 49 | Sound Water Company, Incorporated |
| C | 50 | South Bainbridge Water System, Inc., |
| C | 51 | Stroh Water Co. |
| C | 52 | Terraced Estates Water Co. |
| C | 53 | View Royal Water Company |
| C | 54 | West Pasco Water System Inc., |
| C | 55 | Westbourne Acres Water Corporation |
| C | 56 | Whidbey West Water Company |
| C | 57 | William F.Kohlwes Water Company |
| C | 58 | W. B. Water Works |
| C | 59 | W.Main Corporation, The -Utilities Divn. |

NOTE: Please see text where data is Not Available (N/A).

CLASS A & B WATER UTILITIES
NET INCOME STATEMENT
DECEMBER 31, 1986 & 1987

| INCOME STATEMENT (CONT.) | HARBOR WATER COMPANY,INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO.,INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| OTHER INCOME AND DEDUCTIONS: | | | | | | | | | | |
| REVENUES FROM MERCHANDISING & JOBBING | $56,096 | $69,046 | $0 | $0 | $86,587 | $83,864 | $2,774 | $519 | $145,457 | $153,429 |
| COSTS AND EXP.OF MERCHANDISING AND JOBBING | (31,616) | (69,974) | 0 | 0 | (50,555) | (42,753) | (38) | (2,804) | (82,209) | (115,531) |
| INTEREST AND DIVIDEND INCOME | 2,054 | 1,693 | 13,919 | 2,414 | 1,464 | 1,052 | 0 | 966 | 17,437 | 6,125 |
| ALLOW. FOR FUNDS USED DURING CONSTRUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 6,671 | 2,642 | 6,671 | 2,642 |
| NONUTILITY INCOME | 0 | 0 | 0 | 131,903 | 0 | 0 | 1,407 | 3,803 | 1,407 | 135,706 |
| MISC. NONUTILITY EXPENSES | (45,492) | (7,475) | 0 | (138,945) | 0 | 0 | 1,075 | (353) | (44,417) | (146,773) |
| TOTAL OTHER INCOME & DEDUCTIONS | (18,958) | (6,710) | 13,919 | (4,628) | 37,496 | 42,163 | 11,889 | 4,773 | 44,346 | 35,598 |
| TAXES APPLICABLE TO OTHER INCOME: | | | | | | | | | | |
| TAXES OTHER THAN INCOME | 0 | 0 | 0 | 0 | 0 | 0 | 336 | 0 | 336 | 0 |
| INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROVISION FOR DEFERRED INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROVISION FOR DEFERRED INCOME TAXES-CREDIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INVESTMENT TAX CREDIT-NET | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INVESTMENT TAX CRED. RESTORED TO OP.INCOME | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL TAXES APPLIC. TO OTHER INCOME | 0 | 0 | 0 | 0 | 0 | 0 | 336 | 0 | 336 | 0 |
| INTEREST EXPENSE: | | | | | | | | | | |
| INTEREST EXPENSE | 53,525 | 53,639 | 68,327 | 69,737 | 5,674 | 8,408 | 220,636 | 199,263 | 348,162 | 331,047 |
| AMORTIZATION OF DEBT DISCOUNT & EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| AMORTIZATION OF PREMIUM ON DEBT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL INTEREST EXPENSE | 53,525 | 53,639 | 68,327 | 69,737 | 5,674 | 8,408 | 220,636 | 199,263 | 348,162 | 331,047 |
| EXTRAORDINARY ITEMS: | | | | | | | | | | |
| EXTRAORDINARY INCOME | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EXTRAORDINARY DEDUCTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (23,537) | 0 | (23,537) |
| INCOME TAXES-EXTRAORDINARY ITEMS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,541 | 0 | 10,541 |
| TOTAL EXTRAORDINARY ITEMS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (12,996) | 0 | (12,996) |
| NET INCOME | ($16,821) | ($43,446) | $13,828 | $34,490 | $33,024 | $56,337 | $300,915 | $275,588 | $330,946 | $322,969 |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 62.39% | 64.53% | 64.26% | 50.15% | 77.41% | 70.57% | 44.90% | 49.95% | 53.38% | 54.49% |
| DEPRECIATION & AMORTIZATION EXPENSES | 7.28% | 5.61% | 8.89% | 8.00% | 11.85% | 10.38% | 8.84% | 8.90% | 8.84% | 8.31% |
| TAXES OTHER THAN INCOME | 13.88% | 15.17% | 12.38% | 22.71% | 10.36% | 10.72% | 10.47% | 10.14% | 11.31% | 13.00% |
| INCOME TAXES | 3.50% | 12.55% | 0.00% | 0.00% | 0.00% | 1.75% | 11.97% | 8.82% | 7.85% | 7.52% |
| TOTAL OPERATING EXPENSES | 87.05% | 97.86% | 85.53% | 80.86% | 99.61% | 93.41% | 76.18% | 77.81% | 81.38% | 83.32% |
| UTILITY OPERATING INCOME (LOSS) | 12.95% | 2.14% | 14.47% | 19.14% | 0.39% | 6.59% | 23.82% | 22.19% | 18.62% | 16.68% |

CLASS A & B WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 & 1987

| | HARBOR WATER COMPANY, INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO., INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| CUSTOMERS: | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 3,346 | 3,505 | N/A | 3,317 | 1,322 | 1,400 | 6,846 | 6,421 | 11,514 | 14,642 |
| COMMERCIAL-ANNUAL AVERAGE | 0 | 0 | N/A | 0 | 75 | 0 | 277 | 264 | 352 | 264 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | N/A | 0 | 0 | 0 | 12 | 12 | 12 | 12 |
| OTHERS-ANNUAL AVERAGE | 0 | 91 | N/A | 150 | 48 | 110 | 21 | 27 | 69 | 378 |
| TOTAL CUSTOMERS | 3,346 | 3,596 | N/A | 3,467 | 1,445 | 1,510 | 7,156 | 6,723 | 11,947 | 15,295 |

| | | | | | | | | | TOTAL AVERAGE A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| OTHER STATISTICS: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| NO. OF WELLS | 87 | 87 | 54 | 68 | 47 | 48 | 30 | 26 | 55 | 57 |
| CAPACITY OF PUMPS -- (GPM) | 5,318 | 5,318 | N/A | 2,483 | 5,731 | 3,821 | 17,615 | 22,215 | 9,555 | 8,459 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | 1,832,800 | 1,832,800 | N/A | 1,960,500 | 398,742 | 357,444 | 6,869,000 | 5,577,000 | 3,033,514 | 2,431,936 |
| AVG. ANNUAL RESIDENTIAL USE PER 1,000 GAL. | 101.00 | 107.00 | N/A | 73.66 | 115.47 | 122.50 | 39.62 | 29.80 | 85.36 | 83.24 |
| AVG. ANNUAL RESIDENTIAL COST PER 1,000 GAL. | $1.74 | $1.69 | N/A | $2.14 | $1.94 | $1.90 | $7.28 | $10.57 | $3.65 | $4.08 |
| AVERAGE RESIDENTIAL MONTHLY BILL | $14.69 | $15.07 | N/A | $14.24 | $18.00 | $19.38 | $24.06 | $26.24 | $18.92 | $18.73 |
| GROSS PLANT INVESTMENT PER CUSTOMER | $284.51 | $267.08 | N/A | $188.58 | $481.00 | $457.31 | $671.00 | $685.59 | $478.84 | $399.64 |

N/A=NOT AVAILABLE

CLASS A & B WATER UTILITIES
DEPRECIATION RESERVE SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 & 1987

| Account Description | HARBOR WATER COMPANY, INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO., INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Structures & Improvements | $9,526 | $16,923 | $15,459 | $17,696 | $7,286 | $8,231 | $35,226 | $36,881 | $67,497 | $79,731 |
| Collecting & Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River & Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Well & Springs | 37,870 | 54,702 | 34,116 | 38,529 | 18,397 | 20,943 | 20,677 | 19,849 | 111,060 | 134,023 |
| Infiltration Galleries and Tunnels | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Generating Equipment | 53,977 | 53,977 | 0 | 0 | 0 | 0 | 0 | 0 | 53,977 | 53,977 |
| Pumping Equipment | 22,762 | 45,894 | 31,487 | 34,779 | (1,504) | 985 | 80,523 | 52,725 | 133,268 | 134,383 |
| Water Treatment Equipment | 0 | 361 | 0 | 0 | 315 | 345 | 2,542 | (564) | 2,857 | 142 |
| Distribution Reservoirs & Standpipes | 61,522 | 80,760 | 44,798 | 53,157 | 6,173 | 7,611 | 51,001 | 64,461 | 163,494 | 205,989 |
| Transmission & Distribution Mains | 164,510 | 207,002 | 62,592 | 68,487 | 68,314 | 74,444 | 271,573 | 318,960 | 566,989 | 668,893 |
| Services | 54,567 | 76,187 | 2,306 | 3,112 | 17,488 | 17,695 | 64,756 | 70,917 | 139,117 | 167,911 |
| Meters & Meter Installations | 14,090 | 21,438 | 1,536 | 1,597 | 21,820 | 20,582 | 73,090 | 81,935 | 110,536 | 125,552 |
| Hydrants | 3,458 | 2,673 | 7,270 | 8,132 | 709 | 447 | 7,139 | 8,900 | 18,576 | 20,152 |
| Other Plant and Misc.Equipment | 0 | (23,683) | 0 | 0 | 8,781 | 9,855 | 2,232,949 | 2,232,949 | 2,241,730 | 2,219,121 |
| Office Furniture and Equipment | 16,804 | 28,375 | 12,635 | 16,159 | 24,606 | 32,275 | 542 | 947 | 54,587 | 77,756 |
| Transportation Equipment | 40,285 | 65,025 | 24,810 | 38,267 | 18,058 | 24,342 | 18,217 | 30,208 | 101,370 | 157,842 |
| Stores Equipment | 0 | 0 | 16,935 | 19,520 | 0 | 0 | 0 | 0 | 16,935 | 19,520 |
| Tools, Shop and Garage Equipment | 3,396 | 4,660 | 0 | 0 | 22,856 | 24,935 | 1,981 | 2,692 | 28,235 | 32,287 |
| Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 165 | 208 | 165 | 208 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 11,136 | 14,196 | 11,136 | 14,196 |
| Communication Equipment | 4,602 | 8,080 | 4,212 | 4,212 | 3,687 | 229 | 4,015 | 5,229 | 16,516 | 17,750 |
| Miscellaneous Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 1,990 | 9,448 | 1,990 | 9,448 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 49,588 | 82,647 | 49,588 | 82,647 |
| Total Depreciation Reserve | $487,371 | $642,374 | $258,156 | $303,647 | $216,986 | $242,919 | $2,927,110 | $3,032,588 | $3,889,623 | $4,221,528 |

CLASS A & B WATER UTILITIES
AVERAGE SERVICE LIFE IN YEARS AND
DEPRECIATION RATE APPLIED: DECEMBER 31, 1986 & 1987

| | HARBOR WATER COMPANY, INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO., INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL AVERAGE A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| AVERAGE SERVICE LIFE IN YEARS: | | | | | | | | | | |
| Structures & Improvements | 32 | 32 | N/A | N/A | 50 | 50 | 50 | 50 | 44 | 44 |
| Collecting & Impounding Reservoirs | 0 | 0 | N/A | N/A | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River & Other Intakes | 0 | 0 | N/A | N/A | 0 | 0 | 0 | 0 | 0 | 0 |
| Well & Springs | 32 | 32 | N/A | N/A | 50 | 50 | 49 | 49 | 44 | 44 |
| Infiltration Galleries and Tunnels | 0 | 0 | N/A | N/A | 0 | 0 | 0 | 0 | 0 | 0 |
| Supply Mains | 0 | 0 | N/A | N/A | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Generating Equipment | 32 | 32 | N/A | N/A | 0 | 0 | 0 | 0 | 32 | 32 |
| Pumping Equipment | 30 | 30 | N/A | N/A | 50 | 50 | 29 | 29 | 36 | 36 |
| Water Treatment Equipment | 25 | 25 | N/A | N/A | 50 | 50 | 37 | 37 | 37 | 37 |
| Distribution Reservoirs & Standpipes | 32 | 32 | N/A | N/A | 50 | 50 | 70 | 70 | 51 | 51 |
| Transmission & Distribution Mains | 30 | 30 | N/A | N/A | 50 | 50 | 45 | 45 | 42 | 42 |
| Services | 29 | 29 | N/A | N/A | 50 | 50 | 55 | 55 | 45 | 45 |
| Meters & Meter Installations | 26 | 26 | N/A | N/A | 25 | 25 | 50 | 50 | 34 | 34 |
| Hydrants | 32 | 32 | N/A | N/A | 50 | 50 | 44 | 44 | 42 | 42 |
| Other Plant and Misc.Equipment | 0 | 0 | N/A | N/A | 50 | 50 | 0 | 0 | 50 | 50 |
| Office Furniture and Equipment | 6 | 6 | N/A | N/A | 10 | 10 | 31 | 31 | 16 | 16 |
| Transportation Equipment | 7 | 7 | N/A | N/A | 7 | 7 | 4 | 4 | 6 | 6 |
| Stores Equipment | 0 | 0 | N/A | N/A | 0 | 0 | 0 | 0 | 0 | 0 |
| Tools, Shop and Garage Equipment | 6 | 6 | N/A | N/A | 10 | 10 | 35 | 35 | 17 | 17 |
| Laboratory Equipment | 0 | 0 | N/A | N/A | 0 | 0 | 45 | 45 | 45 | 45 |
| Power Operated Equipment | 0 | 0 | N/A | N/A | 0 | 0 | 7 | 7 | 7 | 7 |
| Communication Equipment | 10 | 10 | N/A | N/A | 10 | 10 | 11 | 11 | 10 | 10 |
| Miscellaneous Equipment | 0 | 0 | N/A | N/A | 0 | 0 | 5 | 5 | 5 | 5 |
| Other Tangible Plant | 0 | 0 | N/A | N/A | 0 | 0 | 5 | 5 | 5 | 5 |
| | NOTE: A "0" INDICATES NO ACTIVITY IN RELATED ACCOUNT | | | | | N/A=NOT AVAILABLE | | | | |
| DEPRECIATION RATE APPLIED: | | | | | | | | | | |
| Structures & Improvements | 3.20% | 3.20% | N/A | N/A | 2.00% | 2.00% | 2.00% | 2.00% | 2.40% | 2.40% |
| Collecting & Impounding Reservoirs | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Lake River & Other Intakes | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Well & Springs | 3.20% | 3.20% | N/A | N/A | 2.00% | 2.00% | 2.00% | 2.00% | 2.40% | 2.40% |
| Infiltration Galleries and Tunnels | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Supply Mains | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Power Generating Equipment | 3.20% | 3.20% | N/A | N/A | 0.00% | 0.00% | 0.00% | 0.00% | 3.20% | 3.20% |
| Pumping Equipment | 3.00% | 3.00% | N/A | N/A | 2.00% | 2.00% | 3.33% | 3.33% | 2.78% | 2.78% |
| Water Treatment Equipment | 2.50% | 2.50% | N/A | N/A | 2.00% | 2.00% | 2.71% | 2.71% | 2.40% | 2.40% |
| Distribution Reservoirs & Standpipes | 3.20% | 3.20% | N/A | N/A | 2.00% | 2.00% | 1.43% | 1.43% | 2.21% | 2.21% |
| Transmission & Distribution Mains | 3.00% | 3.00% | N/A | N/A | 2.00% | 2.00% | 2.22% | 2.22% | 2.41% | 2.41% |
| Services | 2.90% | 2.90% | N/A | N/A | 2.00% | 2.00% | 1.82% | 1.82% | 2.24% | 2.24% |
| Meters & Meter Installations | 2.60% | 2.60% | N/A | N/A | 4.00% | 4.00% | 2.00% | 2.00% | 2.87% | 2.87% |
| Hydrants | 3.20% | 3.20% | N/A | N/A | 2.00% | 2.00% | 2.30% | 2.30% | 2.50% | 2.50% |
| Other Plant and Misc.Equipment | 0.00% | 0.00% | N/A | N/A | 2.00% | 2.00% | 0.00% | 0.00% | 2.00% | 2.00% |
| Office Furniture and Equipment | 18.30% | 18.30% | N/A | N/A | 7.00% | 7.00% | 3.17% | 3.17% | 9.49% | 9.49% |
| Transportation Equipment | 14.40% | 14.40% | N/A | N/A | 14.00% | 14.00% | 20.00% | 20.00% | 16.13% | 16.13% |
| Stores Equipment | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Tools, Shop and Garage Equipment | 17.40% | 17.40% | N/A | N/A | 12.00% | 12.00% | 2.86% | 2.86% | 10.75% | 10.75% |
| Laboratory Equipment | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 2.22% | 2.22% | 2.22% | 2.22% |
| Power Operated Equipment | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 14.50% | 14.50% | 14.50% | 14.50% |
| Communication Equipment | 9.70% | 9.70% | N/A | N/A | 10.00% | 10.00% | 9.00% | 9.00% | 9.57% | 9.57% |
| Miscellaneous Equipment | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 20.00% | 20.00% | 20.00% | 20.00% |
| Other Tangible Plant | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | 20.00% | 20.00% | 20.00% | 20.00% |

CLASS A & B WATER UTILITIES
UTILITY PLANT IN SERVICE ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 & 1987

| Account Description | HARBOR WATER COMPANY, INC. (1) | | RICHARDSON WATER COMPANIES (2) | | SOUTH SOUND UTILITY CO., INC. (3) | | SPOKANE SUBURBAN WATER CO. (4) | | TOTAL A & B WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT IN SERVICE** | | | | | | | | | | |
| Organization | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Franchises | 5,478 | 5,517 | 0 | 0 | 0 | 0 | 0 | 0 | 5,478 | 5,517 |
| Land and Land Rights | 79,721 | 80,033 | 173,644 | 196,668 | 2,310 | 2,697 | 197,256 | 196,668 | 452,931 | 476,066 |
| Structures & Improvements | 251,606 | 251,971 | 87,762 | 91,360 | 47,123 | 47,619 | 367,908 | 360,731 | 754,399 | 751,681 |
| Collecting & Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River & Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Well & Springs | 320,142 | 340,521 | 312,652 | 320,584 | 126,461 | 126,959 | 269,703 | 247,729 | 1,028,958 | 1,035,793 |
| Infiltration Galleries and Tunnels | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Generating Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | 730,583 | 771,084 | 286,212 | 302,121 | 91,900 | 99,791 | 682,734 | 629,358 | 1,791,429 | 1,802,354 |
| Water Treatment Equipment | 0 | 0 | 0 | 0 | 1,621 | 1,621 | 24,552 | 16,296 | 26,173 | 17,917 |
| Distribution Reservoirs & Standpipes | 678,479 | 686,547 | 537,200 | 540,855 | 56,281 | 80,978 | 961,264 | 941,264 | 2,215,224 | 2,249,644 |
| Transmission & Distribution Mains | 1,790,071 | 1,970,620 | 199,338 | 1,361,508 | 509,781 | 508,713 | 3,509,055 | 3,447,655 | 7,008,245 | 7,288,496 |
| Services | 296,143 | 334,649 | 108,206 | 205,854 | 77,290 | 76,918 | 1,016,546 | 1,010,345 | 1,498,185 | 1,627,766 |
| Meters & Meter Installations | 85,079 | 85,079 | 58,356 | 87,282 | 76,323 | 78,163 | 1,019,476 | 1,012,917 | 1,239,234 | 1,263,441 |
| Hydrants | 63,298 | 77,728 | 51,935 | 58,735 | 2,024 | 1,687 | 99,862 | 103,737 | 217,119 | 241,887 |
| Other Plant and Misc.Equipment | 0 | 0 | 0 | 0 | 72,620 | 83,191 | 40,648 | 0 | 113,268 | 83,191 |
| Office Furniture and Equipment | 38,006 | 39,037 | 16,611 | 34,975 | 49,727 | 51,686 | 4,997 | 20,584 | 109,341 | 146,282 |
| Transportation Equipment | 114,848 | 108,548 | 57,990 | 103,488 | 46,363 | 46,363 | 77,210 | 94,934 | 296,411 | 353,133 |
| Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tools, Shop and Garage Equipment | 8,980 | 11,527 | 21,976 | 22,246 | 36,491 | 35,782 | 24,855 | 24,855 | 92,302 | 94,410 |
| Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 1,928 | 1,928 | 1,928 | 1,928 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 34,003 | 34,003 | 34,003 | 34,003 |
| Communication Equipment | 9,823 | 9,823 | 4,212 | 4,212 | 4,110 | 8,162 | 13,485 | 13,485 | 31,630 | 35,682 |
| Miscellaneous Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 4,534 | 4,534 | 4,534 | 4,534 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 165,278 | 230,789 | 165,278 | 230,789 |
| Total Utility Plant In Service | $4,472,257 | $4,772,684 | $2,918,094 | $3,329,888 | $1,200,425 | $1,250,330 | $8,495,294 | $8,391,612 | $17,086,070 | $17,744,514 |
| **UTILITY PLANT IN SERVICE** | | | | | | | | | | |
| Non-Depreciable | $85,199 | $85,550 | $173,644 | $196,668 | $2,310 | $2,697 | $197,256 | $196,668 | $458,409 | $481,583 |
| Depreciable | 4,387,058 | 4,687,134 | 2,744,450 | 3,133,220 | 1,198,115 | 1,247,633 | 8,298,038 | 8,194,944 | 16,627,661 | 17,262,931 |
| Total Utility Plant In Service | $4,472,257 | $4,772,684 | $2,918,094 | $3,329,888 | $1,200,425 | $1,250,330 | $8,495,294 | $8,391,612 | $17,086,070 | $17,744,514 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | ADMIRAL'S COVE, INC. (1) | | ALDERBROOK WATER COMPANY, INC. (2) | | ALDERTON-MCMILLIN WATER SUP., INC. (3) | | ALDERWOOD ESTATES WATER, INC. (4) | | BASIN WATER SOURCES, INC. (5) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| ASSETS: | | | | | | | | | | |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | $295,721 | $295,721 | $331,639 | $331,639 | $568,968 | $595,522 | N\A | N\A | $97,943 | $97,943 |
| CONSTRUCTION WORK IN PROGRESS | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| TOTAL UTILITY PLANT | 295,721 | 295,721 | 331,639 | 331,639 | 568,968 | 595,522 | N\A | N\A | 97,943 | 97,943 |
| ACCUM.PROV. FOR DEPR. & AMORT. | 167,995 | 177,201 | 121,293 | 130,842 | 108,897 | 126,556 | N\A | N\A | 65,304 | 67,478 |
| NET UTILITY PLANT | 127,726 | 118,520 | 210,346 | 200,797 | 460,071 | 468,966 | N\A | N\A | 32,639 | 30,465 |
| CASH | 7,860 | 10,793 | 45,088 | 20,647 | 2,354 | (299) | N\A | N\A | 7,696 | 12,514 |
| CUSTOMER ACCOUNTS RECEIVABLE | 0 | 0 | 9,348 | 16,623 | 17,210 | 16,758 | N\A | N\A | 1,215 | 1,499 |
| OTHER ASSETS | 0 | 0 | 198,220 | 188,512 | 58,103 | 55,832 | N\A | N\A | 0 | 0 |
| TOTAL ASSETS | $135,586 | $129,313 | $463,002 | $426,579 | $537,738 | $541,257 | N\A | N\A | $41,548 | $44,478 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $0 | $0 | $500 | $500 | $50,000 | $50,000 | N\A | N\A | $302 | $302 |
| PREFERRED STOCK ISSUED | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| OTHER PAID IN CAPITAL | 9,779 | 10,134 | 455,000 | 455,000 | 13,720 | 30,269 | N\A | N\A | 977 | 977 |
| RETAINED EARNINGS: | | | | | | | N\A | N\A | | |
| APPROPRIATED | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| UNAPPROPRIATED | 0 | 0 | (43,736) | (76,284) | 92,597 | 114,908 | N\A | N\A | 24,717 | 31,803 |
| PROPRIETARY CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| TOTAL CAPITAL | 9,779 | 10,134 | 411,764 | 379,216 | 156,317 | 195,177 | N\A | N\A | 25,996 | 33,082 |
| LONG-TERM DEBT | 0 | 0 | 51,238 | 47,363 | 127,946 | 100,090 | N\A | N\A | 0 | 0 |
| ACCOUNTS PAYABLE | 0 | 0 | 0 | 0 | 39,688 | 14,406 | N\A | N\A | 0 | 0 |
| NOTES PAYABLE | 0 | 0 | 0 | 0 | 0 | 7,235 | N\A | N\A | 4,000 | 0 |
| CUSTOMER DEPOSITS | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| ACCRUED TAXES | 0 | 0 | 0 | 0 | 19,249 | 21,623 | N\A | N\A | 1,285 | 1,159 |
| OTHER LIABILITIES | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 30 | 0 |
| ADVANCES FOR CONSTRUCTION | 0 | 0 | 0 | 0 | 32,400 | 32,611 | N\A | N\A | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | 125,807 | 119,179 | 0 | 0 | 162,138 | 170,115 | N\A | N\A | 10,237 | 10,237 |
| TOTAL LIABILITIES | 125,807 | 119,179 | 51,238 | 47,363 | 381,421 | 346,080 | N\A | N\A | 15,552 | 11,396 |
| TOTAL LIABILITIES AND CAPITAL | $135,586 | $129,313 | $463,002 | $426,579 | $537,738 | $541,257 | N\A | N\A | $41,548 | $44,478 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | 56.81% | 59.92% | 36.57% | 39.45% | 19.14% | 21.25% | N\A | N\A | 66.68% | 68.90% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 0.00% | 0.00% | 11.07% | 11.10% | 45.01% | 33.90% | N\A | N\A | 0.00% | 0.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | ADMIRAL'S COVE, INC. (1) | | ALDERBROOK WATER COMPANY, INC. (2) | | ALDERTON-MCMILLIN WATER SUP., INC. (3) | | ALDERWOOD ESTATES WATER, INC. (4) | | BASIN WATER SOURCES, INC. (5) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | $15,175 | $15,400 | $46,848 | $52,599 | $111,088 | $146,507 | N\A | N\A | $42,647 | $49,949 |
| COMMERCIAL | 0 | 0 | 33,353 | 35,841 | 0 | 0 | N\A | N\A | 436 | 464 |
| INDUSTRIAL | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| MULTIPLE FAMILY | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 4,873 | 4,965 |
| OTHER | 1,000 | 1,000 | 0 | 0 | 469 | 7,140 | N\A | N\A | 3,939 | 4,044 |
| TOTAL OPERATING REVENUE | 16,175 | 16,400 | 80,201 | 88,440 | 111,557 | 153,647 | N\A | N\A | 51,895 | 59,422 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 3,285 | 3,800 | 0 | 0 | 55,845 | 55,058 | N\A | N\A | 0 | 0 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 18,400 | 19,044 |
| EMPLOYEE PENSION & BENEFITS | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 2,030 | 2,106 |
| PURCHASED WATER | 0 | 0 | 15,550 | 16,038 | 5,675 | 5,644 | N\A | N\A | 0 | 0 |
| PURCHASED POWER | 1,899 | 2,048 | 0 | 0 | 3,722 | 3,359 | N\A | N\A | 3,682 | 4,378 |
| FUEL FOR POWER PRODUCTION | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| CHEMICALS | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| MATERIALS & SUPPLIES | 277 | 277 | 8,996 | 2,244 | 2,033 | 7,146 | N\A | N\A | 1,173 | 2,250 |
| CONTRACTUAL SERVICES | 2,403 | 1,547 | 14,365 | 17,802 | 4,202 | 3,313 | N\A | N\A | 9,670 | 5,724 |
| RENTS | 0 | 2,880 | 2,272 | 2,250 | 3,348 | 2,400 | N\A | N\A | 2,400 | 2,400 |
| TRANSPORTATION EXPENSE | 480 | 480 | 0 | 0 | 3,244 | 3,533 | N\A | N\A | 0 | 0 |
| INSURANCE EXPENSE | 1,545 | 969 | 0 | 0 | 3,304 | 6,604 | N\A | N\A | 3,040 | 2,897 |
| REGULATORY COMMISSION EXPENSES | 0 | 0 | 0 | 0 | 0 | 199 | N\A | N\A | 0 | 0 |
| BAD DEBT EXPENSE | 0 | 0 | 1,535 | 2,215 | 0 | 0 | N\A | N\A | 0 | 0 |
| MISCELLANEOUS EXPENSES | 766 | 2,416 | 80 | 891 | 9,014 | 1,604 | N\A | N\A | 1,498 | 1,163 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 10,655 | 14,417 | 42,798 | 41,440 | 90,387 | 88,862 | N\A | N\A | 41,893 | 39,962 |
| DEPRECIATION & AMORTIZATION EXPENSE | 478 | 478 | 19,257 | 19,257 | 25,448 | 14,512 | N\A | N\A | 2,229 | 2,174 |
| TAXES OTHER THAN INCOME | 1,022 | 1,150 | 3,813 | 4,351 | 14,626 | 19,552 | N\A | N\A | 6,370 | 7,100 |
| INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| TOTAL OPERATING EXPENSES | 12,155 | 16,045 | 65,868 | 65,048 | 130,461 | 122,926 | N\A | N\A | 50,492 | 49,236 |
| NET OPERATING INCOME(LOSS) | $4,020 | $355 | $14,333 | $23,392 | ($18,905) | $30,721 | N\A | N\A | $1,403 | $10,186 |
| OTHER INCOME | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 122 |
| OTHER DEDUCTIONS | 0 | 0 | 6,376 | 5,940 | 0 | 8,410 | N\A | N\A | 534 | 26 |
| NET INCOME(LOSS) | $4,020 | $355 | $7,957 | $17,452 | ($18,905) | $22,311 | N\A | N\A | $869 | $10,282 |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 65.87% | 87.91% | 53.36% | 46.86% | 81.02% | 57.84% | N\A | N\A | 80.73% | 67.25% |
| DEPRECIATION & AMORTIZATION EXPENSES | 2.96% | 2.91% | 24.01% | 21.77% | 22.81% | 9.45% | N\A | N\A | 4.30% | 3.66% |
| TAXES OTHER THAN INCOME | 6.32% | 7.01% | 4.75% | 4.92% | 13.11% | 12.73% | N\A | N\A | 12.27% | 11.95% |
| INCOME TAXES | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | N\A | N\A | 0.00% | 0.00% |
| TOTAL DEDUCTIONS | 75.15% | 97.84% | 82.13% | 73.55% | 116.95% | 80.01% | N\A | N\A | 97.30% | 82.86% |
| NET OPERATING INCOME (LOSS) | 24.85% | 2.16% | 17.87% | 26.45% | -16.95% | 19.99% | N\A | N\A | 2.70% | 17.14% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | ADMIRAL'S COVE, INC. (1) | | ALDERBROOK WATER COMPANY, INC. (2) | | ALDERTON-MCMILLIN WATER SUP., INC. (3) | | ALDERWOOD ESTATES WATER, INC. (4) | | BASIN WATER SOURCES, INC. (5) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **CUSTOMERS:** | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 171 | 174 | 690 | 690 | 528 | 575 | N\A | N\A | 260 | 260 |
| COMMERCIAL-ANNUAL AVERAGE | 1 | 1 | 2 | 2 | 4 | 4 | N\A | N\A | 2 | 2 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 4 | 4 | N\A | N\A | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 6 | 6 |
| TOTAL CUSTOMERS | 172 | 175 | 692 | 692 | 536 | 583 | N\A | N\A | 268 | 268 |
| **OTHER STATISTICS:** | | | | | | | | | | |
| NO. OF WELLS | N\A | 2 | 3 | 3 | 4 | 4 | N\A | N\A | 2 | 2 |
| CAPACITY OF PUMPS -- (GPM) | N\A | 636 | 900 | 1,700 | 1,239 | 1,078 | N\A | N\A | 925 | 925 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | N\A | 49,000 | 200,000 | 200,000 | 313,000 | 346,000 | N\A | N\A | 9,000 | 9,000 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | N/A | N\A | 52.21 | N\A | N/A | N\A | N\A | N\A | 480.98 |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | N/A | N\A | $1.46 | N\A | N/A | N\A | N\A | N\A | $0.40 |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | $7.38 | N\A | $6.35 | N\A | $21.23 | N\A | N\A | N\A | $16.00 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | $0.00 | N\A | $290.17 | N\A | $512.61 | N\A | N\A | N\A | $75.48 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | ADMIRAL'S COVE, INC. (1) | | ALDERBROOK WATER COMPANY, INC. (2) | | ALDERTON-MCMILLIN WATER SUP., INC. (3) | | ALDERWOOD ESTATES WATER, INC. (4) | | BASIN WATER SOURCES, INC. (5) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACCUMULATED DEPRECIATION | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Account Description | | | | | | | | | | |
| Structures & Improvements | $0 | $0 | $5,480 | $5,847 | $258 | $399 | N\A | N\A | $5,994 | $6,234 |
| Collecting & Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Lake River & Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Well & Springs | 15,635 | 16,458 | 13,554 | 15,512 | 4,817 | 7,786 | N\A | N\A | 20,987 | 21,816 |
| Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Power Generating Equipment | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Pumping Equipment | 0 | 0 | 26,891 | 28,968 | 5,541 | 8,799 | N\A | N\A | 6,748 | 7,171 |
| Water Treatment Equipment | 0 | 0 | 0 | 0 | 15 | 23 | N\A | N\A | 0 | 0 |
| Distribution Reservoirs & Standpipes | 0 | 0 | 8,748 | 9,248 | 2,461 | 4,234 | N\A | N\A | 0 | 0 |
| Trans. & Dist. Mains | 150,204 | 158,109 | 38,448 | 40,808 | 69,055 | 74,813 | N\A | N\A | 18,353 | 18,747 |
| Services | 0 | 0 | 14,332 | 15,151 | 8,161 | 9,474 | N\A | N\A | 7,792 | 7,948 |
| Meter & Meter Installations | 0 | 0 | 2,912 | 3,756 | 5,487 | 6,026 | N\A | N\A | 0 | 0 |
| Hydrants | 0 | 0 | 10,928 | 11,552 | 2,435 | 2,734 | N\A | N\A | 3,262 | 3,303 |
| Other Plant and Misc.Equipment | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 1,094 | 1,148 |
| Office Furniture and Equipment | 0 | 0 | 0 | 0 | 2,306 | 2,605 | N\A | N\A | 347 | 347 |
| Transportation Equipment | 0 | 0 | 0 | 0 | 8,143 | 9,369 | N\A | N\A | 0 | 0 |
| Tools, Shop and Garage Equipment | 0 | 0 | 0 | 0 | 218 | 244 | N\A | N\A | 475 | 486 |
| Power Operated Equipment | 2,156 | 2,634 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 253 | 278 |
| Total Accumulated Depreciation | $167,995 | $177,201 | $121,293 | $130,842 | $108,897 | $126,556 | N\A | N\A | $65,305 | $67,478 |
| CURRENT RATES & SERVICE LIVES | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Account Description | | | | | | | | | | |
| Structures & Improvements | 0 | 0.00% | 40 | 2.50% | 35 | 2.90% | N\A | N\A | 33 | 3.00% |
| Collecting & Impounding Reservoirs | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% |
| Lake River & Other Intakes | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% |
| Well & Springs | 35 | 2.86% | 33 | 3.00% | 25 | 4.00% | N\A | N\A | 33 | 3.00% |
| Supply Mains | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% |
| Power Generating Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% |
| Pumping Equipment | 0 | 0.00% | 20 | 5.00% | 20 | 5.00% | N\A | N\A | 33 | 3.00% |
| Water Treatment Equipment | 0 | 0.00% | 0 | 0.00% | 20 | 5.00% | N\A | N\A | 0 | 0.00% |
| Distribution Reservoirs & Standpipes | 0 | 0.00% | 50 | 2.00% | 30 | 3.30% | N\A | N\A | 0 | 0.00% |
| Trans. & Dist. Mains | 35 | 2.86% | 40 | 2.50% | 50 | 2.00% | N\A | N\A | 60 | 1.67% |
| Services | 0 | 0.00% | 40 | 2.50% | 30 | 3.30% | N\A | N\A | 40 | 2.50% |
| Meter & Meter Installations | 0 | 0.00% | 40 | 2.50% | 35 | 2.60% | N\A | N\A | 0 | 0.00% |
| Hydrants | 0 | 0.00% | 40 | 2.50% | 40 | 2.40% | N\A | N\A | 50 | 2.00% |
| Other Plant and Misc.Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 10 | 9.00% |
| Office Furniture and Equipment | 0 | 0.00% | 0 | 0.00% | 20 | 4.75% | N\A | N\A | 0 | 0.00% |
| Transportation Equipment | 0 | 0.00% | 0 | 0.00% | 7 | 12.90% | N\A | N\A | 0 | 0.00% |
| Tools, Shop and Garage Equipment | 0 | 0.00% | 0 | 0.00% | 15 | 6.30% | N\A | N\A | 20 | 4.75% |
| Power Operated Equipment | 10 | 10.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% |
| Other Tangible Plant | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 33 | 3.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | ADMIRAL'S COVE, INC. (1) | | ALDERBROOK WATER COMPANY, INC. (2) | | ALDERTON-MCMILLIN WATER SUP., INC. (3) | | ALDERWOOD ESTATES WATER, INC. (4) | | BASIN WATER SOURCES, INC. (5) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Account Description | | | | | | | | | | |
| Organization | $0 | $0 | $0 | $0 | $515 | $515 | N\A | N\A | $0 | $0 |
| Franchises | 0 | 0 | 0 | 0 | 1,395 | 1,488 | N\A | N\A | 0 | 0 |
| Land and Land Rights | 0 | 0 | 0 | 0 | 17,255 | 17,255 | N\A | N\A | 600 | 600 |
| Structures and Improvements | 0 | 0 | 14,685 | 14,685 | 4,544 | 5,142 | N\A | N\A | 8,000 | 8,000 |
| Collecting and Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Lake River and Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Wells and Springs | 27,430 | 27,430 | 64,635 | 64,635 | 66,278 | 74,217 | N\A | N\A | 27,638 | 27,638 |
| Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Pumping Equipment | 0 | 0 | 41,527 | 41,527 | 64,477 | 65,153 | N\A | N\A | 8,274 | 8,274 |
| Water Treatment Equipment | 0 | 0 | 0 | 0 | 150 | 150 | N\A | N\A | 0 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0 | 24,990 | 24,990 | 53,734 | 53,740 | N\A | N\A | 0 | 0 |
| Transmission and Distribution Mains | 263,516 | 263,516 | 94,343 | 94,343 | 274,325 | 287,891 | N\A | N\A | 35,764 | 35,764 |
| Services | 0 | 0 | 32,758 | 32,758 | 37,943 | 39,800 | N\A | N\A | 10,185 | 10,185 |
| Meters and Meter Installations | 0 | 0 | 33,717 | 33,717 | 20,028 | 20,725 | N\A | N\A | 0 | 0 |
| Hydrants | 0 | 0 | 24,984 | 24,984 | 11,982 | 12,446 | N\A | N\A | 4,297 | 4,297 |
| Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 1,365 | 1,365 |
| Office Furniture and Equipment | 0 | 0 | 0 | 0 | 5,648 | 6,285 | N\A | N\A | 347 | 347 |
| Transportation Equipment | 0 | 0 | 0 | 0 | 9,506 | 9,506 | N\A | N\A | 0 | 0 |
| Tools, Shop and Garage Equipment | 0 | 0 | 0 | 0 | 1,188 | 1,209 | N\A | N\A | 623 | 623 |
| Power Operated Equipment | 4,775 | 4,775 | 0 | 0 | 0 | 0 | N\A | N\A | 0 | 0 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A | 850 | 850 |
| Total Utility Plant | $295,721 | $295,721 | $331,639 | $331,639 | $568,968 | $595,522 | N\A | N\A | $97,943 | $97,943 |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | $0 | $0 | $0 | $0 | $19,165 | $19,258 | N\A | N\A | $600 | $600 |
| Depreciable | 295,721 | 295,721 | 331,639 | 331,639 | 549,803 | 576,264 | N\A | N\A | 97,343 | 97,343 |
| Total Utility Plant | $295,721 | $295,721 | $331,639 | $331,639 | $568,968 | $595,522 | N\A | N\A | $97,943 | $97,943 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | BOSTON HARBOR WATER SYSTEMS CORP. (6) | | BURTON WATER COMPANY (7) | | CANYON VILLAGE WATER SYSTEM, INC. (8) | | CROSSWOODS WATER COMPANY, INC. (9) | | DAWN PARK WATER COMPANY, INC. (10) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | $87,403 | N\A | $135,497 | $139,027 | N\A | $98,809 | $72,381 | $72,803 | $143,287 | $143,287 |
| CONSTRUCTION WORK IN PROGRESS | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| TOTAL UTILITY PLANT | 87,403 | N\A | 135,497 | 139,027 | N\A | 98,809 | 72,381 | 72,803 | 143,287 | 143,287 |
| ACCUM.PROV. FOR DEPR. & AMORT. | 37,095 | N\A | 50,927 | 53,515 | N\A | 53,049 | 71,097 | 71,469 | 34,551 | 37,040 |
| NET UTILITY PLANT | 50,308 | N\A | 84,570 | 85,512 | N\A | 45,760 | 1,284 | 1,334 | 108,736 | 106,247 |
| CASH | 1,236 | N\A | 1,995 | 966 | N\A | 1,627 | 817 | 784 | 2,126 | 250 |
| CUSTOMER ACCOUNTS RECEIVABLE | 0 | N\A | 0 | 0 | N\A | 0 | 2,674 | 3,223 | 0 | 0 |
| OTHER ASSETS | 0 | N\A | 300 | 300 | N\A | 152,844 | 0 | 0 | 717 | 2,720 |
| TOTAL ASSETS | $51,544 | N\A | $86,865 | $86,778 | N\A | $200,231 | $4,775 | $5,341 | $111,579 | $109,217 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $13,873 | N\A | $0 | $0 | N\A | $45,431 | $500 | $500 | $2,000 | $2,000 |
| PREFERRED STOCK ISSUED | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| OTHER PAID IN CAPITAL | 13,278 | N\A | 0 | 0 | N\A | 12,778 | 469 | 469 | 0 | 52,000 |
| RETAINED EARNINGS: | | N\A | | | N\A | | | | | |
| APPROPRIATED | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| UNAPPROPRIATED | 16,882 | N\A | 0 | 0 | N\A | 55,494 | (4,072) | (6,715) | 102,436 | 43,067 |
| PROPRIETARY CAPITAL | 0 | N\A | 69,620 | 68,333 | N\A | 0 | 0 | 0 | 0 | 0 |
| TOTAL CAPITAL | 44,033 | N\A | 69,620 | 68,333 | N\A | 113,703 | (3,103) | (5,746) | 104,436 | 97,067 |
| LONG-TERM DEBT | 0 | N\A | 0 | 0 | N\A | 86,528 | 6,000 | 6,000 | 0 | 3,000 |
| ACCOUNTS PAYABLE | 0 | N\A | 0 | 0 | N\A | 0 | 1,216 | 3,985 | 1,200 | 4,050 |
| NOTES PAYABLE | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 2,066 | 1,638 |
| CUSTOMER DEPOSITS | 235 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 630 | 240 |
| ACCRUED TAXES | 451 | N\A | 0 | 0 | N\A | 0 | 662 | 1,102 | 1,647 | 1,622 |
| OTHER LIABILITIES | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| ADVANCES FOR CONSTRUCTION | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | 6,825 | N\A | 17,245 | 18,445 | N\A | 0 | 0 | 0 | 1,600 | 1,600 |
| TOTAL LIABILITIES | 7,511 | N\A | 17,245 | 18,445 | N\A | 86,528 | 7,878 | 11,087 | 7,143 | 12,150 |
| TOTAL LIABILITIES AND CAPITAL | $51,544 | N\A | $86,865 | $86,778 | N\A | $200,231 | $4,775 | $5,341 | $111,579 | $109,217 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | 42.44% | N\A | 37.59% | 38.49% | N\A | 53.69% | 98.23% | 98.17% | 24.11% | 25.85% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 0.00% | N\A | 0.00% | 0.00% | N\A | 43.21% | 207.11% | 2362.20% | 0.00% | 3.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | BOSTON HARBOR WATER SYSTEMS CORP. (6) | | BURTON WATER COMPANY (7) | | CANYON VILLAGE WATER SYSTEM, INC. (8) | | CROSSWOODS WATER COMPANY, INC. (9) | | DAWN PARK WATER COMPANY, INC. (10) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | $23,468 | N\A | $39,697 | $38,935 | N\A | $10,921 | $12,206 | $17,775 | $20,520 | $20,190 |
| COMMERCIAL | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| INDUSTRIAL | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| MULTIPLE FAMILY | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING REVENUE | 23,468 | N\A | 39,697 | 38,935 | N\A | 10,921 | 12,206 | 17,775 | 20,520 | 20,190 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 0 | N\A | 4,200 | 1,363 | N\A | 0 | 0 | 0 | 0 | 0 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | (3,500) | N\A | 10,650 | 13,429 | N\A | 0 | 6,000 | 7,200 | 3,680 | 4,800 |
| EMPLOYEE PENSION & BENEFITS | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 1,614 | 1,590 |
| PURCHASED WATER | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| PURCHASED POWER | 1,965 | N\A | 900 | 957 | N\A | 1,358 | 2,228 | 2,312 | 2,317 | 2,135 |
| FUEL FOR POWER PRODUCTION | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| CHEMICALS | 0 | N\A | 250 | 320 | N\A | 0 | 0 | 0 | 0 | 0 |
| MATERIALS & SUPPLIES | 2,744 | N\A | 3,225 | 3,396 | N\A | 133 | 306 | 381 | 497 | 938 |
| CONTRACTUAL SERVICES | 7,901 | N\A | 0 | 0 | N\A | 4,359 | 3,619 | 1,881 | 2,870 | 5,537 |
| RENTS | 0 | N\A | 1,000 | 1,000 | N\A | 0 | 3,600 | 3,200 | 1,550 | 1,257 |
| TRANSPORTATION EXPENSE | 2,044 | N\A | 1,000 | 950 | N\A | 0 | 0 | 62 | 0 | 158 |
| INSURANCE EXPENSE | 0 | N\A | 1,540 | 2,806 | N\A | 0 | 0 | 563 | 1,891 | 1,877 |
| REGULATORY COMMISSION EXPENSES | 0 | N\A | 35 | 40 | N\A | 0 | 50 | 489 | 0 | 104 |
| BAD DEBT EXPENSE | 82 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 90 | 13 |
| MISCELLANEOUS EXPENSES | 67 | N\A | 200 | 1,068 | N\A | 2,816 | 118 | 1,689 | 985 | 2,757 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 11,303 | N\A | 23,000 | 25,329 | N\A | 8,666 | 15,921 | 17,777 | 15,694 | 21,166 |
| DEPRECIATION & AMORTIZATION EXPENSE | 2,452 | N\A | 3,133 | 3,488 | N\A | 4,584 | 377 | 373 | 2,489 | 2,489 |
| TAXES OTHER THAN INCOME | 2,856 | N\A | 3,281 | 1,270 | N\A | 0 | 1,156 | 1,856 | 1,475 | 2,890 |
| INCOME TAXES | 0 | N\A | 807 | 1,958 | N\A | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING EXPENSES | 16,611 | N\A | 30,223 | 32,045 | N\A | 13,250 | 17,454 | 20,006 | 19,658 | 26,545 |
| NET OPERATING INCOME(LOSS) | $6,857 | N\A | $9,474 | $6,890 | N\A | ($2,329) | ($5,248) | ($2,231) | $862 | ($6,355) |
| OTHER INCOME | 0 | N\A | 0 | 0 | N\A | 15,689 | 2,286 | 0 | 0 | 0 |
| OTHER DEDUCTIONS | 0 | N\A | 0 | 0 | N\A | 6,876 | 1,814 | 411 | 3,226 | 0 |
| NET INCOME(LOSS) | $6,857 | N\A | $9,474 | $6,890 | N\A | $6,484 | ($4,776) | ($2,642) | ($2,364) | ($6,355) |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 48.16% | N\A | 57.94% | 65.05% | N\A | 79.35% | 130.44% | 100.01% | 76.48% | 104.83% |
| DEPRECIATION & AMORTIZATION EXPENSES | 10.45% | N\A | 7.90% | 8.96% | N\A | 41.97% | 3.09% | 2.10% | 12.13% | 12.33% |
| TAXES OTHER THAN INCOME | 12.17% | N\A | 8.27% | 3.26% | N\A | 0.00% | 9.47% | 10.44% | 7.19% | 14.31% |
| INCOME TAXES | 0.00% | N\A | 2.03% | 5.03% | N\A | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| TOTAL DEDUCTIONS | 70.78% | N\A | 76.13% | 82.30% | N\A | 121.33% | 143.00% | 112.55% | 95.80% | 131.48% |
| NET OPERATING INCOME (LOSS) | 29.22% | N\A | 23.87% | 17.70% | N\A | -21.33% | -43.00% | -12.55% | 4.20% | -31.48% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | BOSTON HARBOR WATER SYSTEMS CORP. (6) | | BURTON WATER COMPANY (7) | | CANYON VILLAGE WATER SYSTEM, INC. (8) | | CROSSWOODS WATER COMPANY, INC. (9) | | DAWN PARK WATER COMPANY, INC. (10) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1987 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **CUSTOMERS:** | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 144 | N\A | 352 | 353 | 44 | 43 | 127 | 127 | 114 | 115 |
| COMMERCIAL-ANNUAL AVERAGE | 25 | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | 0 | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CUSTOMERS | 169 | N\A | 352 | 353 | 44 | 43 | 127 | 127 | 114 | 115 |
| **OTHER STATISTICS:** | | | | | | | | | | |
| NO. OF WELLS | 4 | N\A | 4 | 4 | N\A | 2 | 2 | 2 | 1 | 1 |
| CAPACITY OF PUMPS -- (GPM) | 253 | N\A | 160 | 160 | N\A | 1,000 | 95 | 95 | 120 | 120 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | 100,000 | N\A | 167,800 | 167,800 | N\A | 0 | 43,200 | 43,200 | 138,000 | 138,000 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | N\A | N\A | N\A | N\A | N/A | N\A | 122.54 | N\A | 979.61 |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | N\A | N\A | N\A | N\A | N/A | N\A | $0.90 | N\A | $0.18 |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | N\A | N\A | $9.19 | N\A | $20.68 | N\A | $9.16 | N\A | $14.63 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | N\A | N\A | $190.00 | N\A | $1,040.00 | N\A | $10.50 | N\A | $909.97 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| ACCUMULATED DEPRECIATION | BOSTON HARBOR WATER SYSTEMS CORP. (6) | | BURTON WATER COMPANY (7) | | CANYON VILLAGE WATER SYSTEM, INC. (8) | | CROSSWOODS WATER COMPANY, INC. (9) | | DAWN PARK WATER COMPANY, INC. (10) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Structures & Improvements | $5,340 | N\A | $3,485 | $3,667 | N\A | $0 | $1,119 | $1,154 | $840 | $877 |
| Collecting & Impounding Reservoirs | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Lake River & Other Intakes | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Well & Springs | 6,674 | N\A | 8,954 | 9,729 | N\A | 2,450 | 5,433 | 5,433 | 4,103 | 4,301 |
| Supply Mains | 0 | N\A | 0 | 0 | N\A | 45,004 | 28,128 | 28,128 | 309 | 361 |
| Power Generating Equipment | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | 1,483 | N\A | 1,589 | 1,660 | N\A | 5,595 | 5,836 | 5,836 | 3,049 | 3,300 |
| Water Treatment Equipment | 297 | N\A | 147 | 166 | N\A | 0 | 0 | 0 | 0 | 0 |
| Distribution Reservoirs & Standpipes | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 4,908 | 5,321 |
| Trans. & Dist. Mains | 11,808 | N\A | 31,270 | 32,034 | N\A | 0 | 0 | 0 | 16,432 | 17,653 |
| Services | 0 | N\A | 2,125 | 2,250 | N\A | 0 | 11,572 | 11,572 | 2,625 | 2,807 |
| Meter & Meter Installations | 0 | N\A | 1,394 | 1,695 | N\A | 0 | 5,724 | 5,798 | 837 | 877 |
| Hydrants | 0 | N\A | 372 | 412 | N\A | 0 | 10,930 | 10,930 | 1,448 | 1,543 |
| Other Plant and Misc.Equipment | 2,224 | N\A | 1,186 | 1,426 | N\A | 0 | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | 2,595 | N\A | 232 | 275 | N\A | 0 | 1,160 | 1,424 | 0 | 0 |
| Transportation Equipment | 6,674 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Tools, Shop and Garage Equipment | 0 | N\A | 173 | 201 | N\A | 0 | 1,194 | 1,194 | 0 | 0 |
| Power Operated Equipment | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Total Accumulated Depreciation | $37,095 | N\A | $50,927 | $53,515 | N\A | $53,049 | $71,096 | $71,469 | $34,551 | $37,040 |

| CURRENT RATES & SERVICE LIVES | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Structures & Improvements | 30 | 3.00% | 33 | 3.00% | N/A | N/A | 10 | 10.00% | 40 | 30.00% |
| Collecting & Impounding Reservoirs | 0 | 0.00% | 0 | 0.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Lake River & Other Intakes | 0 | 0.00% | 0 | 0.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Well & Springs | 30 | 3.00% | 25 | 4.00% | N/A | N/A | 0 | 0.00% | 60 | 28.33% |
| Supply Mains | 0 | 0.00% | 0 | 0.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Power Generating Equipment | 0 | 0.00% | 0 | 0.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Pumping Equipment | 30 | 3.00% | 33 | 3.00% | N/A | N/A | 0 | 0.00% | 40 | 17.50% |
| Water Treatment Equipment | 30 | 3.00% | 25 | 4.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Distribution Reservoirs & Standpipes | 0 | 0.00% | 0 | 0.00% | N/A | N/A | 0 | 0.00% | 60 | 18.33% |
| Trans. & Dist. Mains | 30 | 3.00% | 50 | 2.00% | N/A | N/A | 0 | 0.00% | 60 | 20.00% |
| Services | 0 | 0.00% | 40 | 2.50% | N/A | N/A | 0 | 0.00% | 60 | 21.00% |
| Meter & Meter Installations | 0 | 0.00% | 25 | 4.00% | N/A | N/A | 7 | 14.25% | 60 | 28.33% |
| Hydrants | 0 | 0.00% | 50 | 2.00% | N/A | N/A | 0 | 0.00% | 60 | 22.00% |
| Other Plant and Misc.Equipment | 30 | 3.00% | 25 | 4.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Office Furniture and Equipment | 10 | 10.00% | 25 | 4.00% | N/A | N/A | 5 | 20.00% | 0 | 0.00% |
| Transportation Equipment | 3 | 33.00% | 0 | 0.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Tools, Shop and Garage Equipment | 0 | 0.00% | 33 | 3.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Power Operated Equipment | 0 | 0.00% | 0 | 0.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |
| Other Tangible Plant | 0 | 0.00% | 0 | 0.00% | N/A | N/A | 0 | 0.00% | 0 | 0.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | BOSTON HARBOR WATER SYSTEMS CORP. (6) | | BURTON WATER COMPANY (7) | | CANYON VILLAGE WATER SYSTEM, INC. (8) | | CROSSWOODS WATER COMPANY, INC. (9) | | DAWN PARK WATER COMPANY, INC. (10) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| UTILITY PLANT | | | | | | | | | | |
| Account Description | | | | | | | | | | |
| Organization | $959 | N\A | $0 | $0 | N\A | $0 | $369 | $369 | $2,000 | $2,000 |
| Franchises | 0 | N\A | 0 | 0 | N\A | 0 | 20 | 20 | 0 | 0 |
| Land and Land Rights | 2,600 | N\A | 4,916 | 4,916 | N\A | 0 | 250 | 250 | 13,200 | 13,200 |
| Structures and Improvements | 9,531 | N\A | 6,053 | 6,053 | N\A | 0 | 1,119 | 1,465 | 1,912 | 1,912 |
| Collecting and Impounding Reservoirs | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Lake River and Other Intakes | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Wells and Springs | 11,468 | N\A | 19,374 | 19,374 | N\A | 13,733 | 5,433 | 5,433 | 10,018 | 10,018 |
| Supply Mains | 0 | N\A | 0 | 0 | N\A | 75,814 | 28,128 | 28,128 | 4,057 | 4,057 |
| Power Generation Equipment | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | 5,272 | N\A | 2,354 | 2,354 | N\A | 0 | 5,836 | 5,836 | 12,808 | 12,808 |
| Water Treatment Equipment | 789 | N\A | 479 | 479 | N\A | 9,262 | 0 | 0 | 0 | 0 |
| Distribution Reservoirs and Standpipes | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 21,050 | 21,050 |
| Transmission and Distribution Mains | 40,446 | N\A | 79,674 | 83,204 | N\A | 0 | 0 | 0 | 62,137 | 62,137 |
| Services | 0 | N\A | 5,000 | 5,000 | N\A | 0 | 11,572 | 11,372 | 9,257 | 9,257 |
| Meters and Meter Installations | 0 | N\A | 7,519 | 7,519 | N\A | 0 | 6,106 | 6,182 | 2,029 | 2,029 |
| Hydrants | 0 | N\A | 2,000 | 2,000 | N\A | 0 | 10,930 | 10,930 | 4,819 | 4,819 |
| Other Plant and Misc. Equipment | 6,527 | N\A | 6,000 | 6,000 | N\A | 0 | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | 2,852 | N\A | 1,128 | 1,128 | N\A | 0 | 1,424 | 1,424 | 0 | 0 |
| Transportation Equipment | 6,959 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Tools, Shop and Garage Equipment | 0 | N\A | 1,000 | 1,000 | N\A | 0 | 1,194 | 1,196 | 0 | 0 |
| Power Operated Equipment | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | 0 | N\A | 0 | 0 | N\A | 0 | 0 | 0 | 0 | 0 |
| Total Utility Plant | $87,403 | N\A | $135,497 | $139,027 | N\A | $98,809 | $72,381 | $72,803 | $143,287 | $143,287 |
| UTILITY PLANT | | | | | | | | | | |
| Non-Depreciable | $3,559 | N\A | $4,916 | $4,916 | N\A | $0 | $639 | $639 | $15,200 | $15,200 |
| Depreciable | 83,844 | N\A | 130,581 | 134,111 | N\A | 98,809 | 71,742 | 72,164 | 128,087 | 128,087 |
| Total Utility Plant | $87,403 | N\A | $135,497 | $139,027 | N\A | $98,809 | $72,381 | $72,803 | $143,287 | $143,287 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | DESERT WATER COMPANY (11) | | DIAMOND POINT WATER CO. (12) | | DISHMAN WATER COMPANY, INC. (13) | | EL RANCHO WATER COMPANY, INC. (14) | | ELLIOTT LAKE WATER COMPANY, INC. (15) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| ASSETS: | | | | | | | | | | |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | N\A | N\A | $130,809 | $167,263 | $67,533 | $67,533 | $1,114,027 | $1,114,027 | $83,851 | $83,851 |
| CONSTRUCTION WORK IN PROGRESS | N\A | N\A | 8,193 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL UTILITY PLANT | N\A | N\A | 139,002 | 167,263 | 67,533 | 67,533 | 1,114,027 | 1,114,027 | 83,851 | 83,851 |
| ACCUM.PROV. FOR DEPR. & AMORT. | N\A | N\A | 48,288 | 50,688 | 50,150 | 51,821 | 211,151 | 239,244 | 39,736 | 44,659 |
| NET UTILITY PLANT | N\A | N\A | 90,714 | 116,575 | 17,383 | 15,712 | 902,876 | 874,783 | 44,115 | 39,192 |
| CASH | N\A | N\A | 18,626 | 9,790 | 18,538 | 22,733 | 423 | 1,251 | 2,197 | 4,487 |
| CUSTOMER ACCOUNTS RECEIVABLE | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 179 | 0 | 0 |
| OTHER ASSETS | N\A | N\A | 0 | 420 | 0 | 0 | 0 | 957 | 876 | 79 |
| TOTAL ASSETS | N\A | N\A | $109,340 | $126,785 | $35,921 | $38,445 | $903,299 | $877,170 | $47,188 | $43,758 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | N\A | N\A | $0 | $0 | $33,500 | $33,500 | $20,000 | $20,000 | $55,677 | $55,677 |
| PREFERRED STOCK ISSUED | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER PAID IN CAPITAL | N\A | N\A | 0 | 0 | 0 | 0 | 706,185 | 706,185 | 0 | 0 |
| RETAINED EARNINGS: | N\A | N\A | | | | | | | | |
| APPROPRIATED | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| UNAPPROPRIATED | N\A | N\A | 0 | 0 | 746 | 3,548 | (43,717) | (85,172) | (16,825) | (19,855) |
| PROPRIETARY CAPITAL | N\A | N\A | 44,246 | 62,013 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CAPITAL | N\A | N\A | 44,246 | 62,013 | 34,246 | 37,048 | 682,468 | 641,013 | 38,852 | 35,822 |
| LONG-TERM DEBT | N\A | N\A | 6,411 | 5,889 | 0 | 0 | 189,864 | 181,209 | 0 | 0 |
| ACCOUNTS PAYABLE | N\A | N\A | 33,049 | 33,049 | 0 | 0 | 0 | 0 | 0 | 0 |
| NOTES PAYABLE | N\A | N\A | 0 | 0 | 0 | 0 | 11,054 | 11,054 | 0 | 0 |
| CUSTOMER DEPOSITS | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ACCRUED TAXES | N\A | N\A | 0 | 0 | 1,675 | 1,397 | 0 | 0 | 0 | 0 |
| OTHER LIABILITIES | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 24,000 | 8,336 | 7,936 |
| ADVANCES FOR CONSTRUCTION | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | N\A | N\A | 25,634 | 25,834 | 0 | 0 | 19,913 | 19,894 | 0 | 0 |
| TOTAL LIABILITIES | N\A | N\A | 65,094 | 64,772 | 1,675 | 1,397 | 220,831 | 236,157 | 8,336 | 7,936 |
| TOTAL LIABILITIES AND CAPITAL | N\A | N\A | $109,340 | $126,785 | $35,921 | $38,445 | $903,299 | $877,170 | $47,188 | $43,758 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | N\A | N\A | 36.91% | 30.30% | 74.26% | 76.73% | 18.95% | 21.48% | 47.39% | 53.26% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | N\A | N\A | 12.66% | 8.67% | 0.00% | 0.00% | 21.77% | 22.04% | 0.00% | 0.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | DESERT WATER COMPANY (11) | | DIAMOND POINT WATER CO. (12) | | DISHMAN WATER COMPANY, INC. (13) | | EL RANCHO WATER COMPANY, INC. (14) | | ELLIOTT LAKE WATER COMPANY, INC. (15) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | N\A | N\A | $18,651 | $20,460 | $1,326 | $2,662 | $66,978 | $69,467 | N\A | $7,676 |
| COMMERCIAL | N\A | N\A | 0 | 0 | 20,614 | 22,255 | 0 | 0 | N\A | 0 |
| INDUSTRIAL | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 |
| MULTIPLE FAMILY | N\A | N\A | 0 | 0 | 1,290 | 0 | 0 | 0 | N\A | 0 |
| OTHER | N\A | N\A | 0 | 0 | 6,995 | 7,696 | 3,000 | 3,000 | N\A | 5,630 |
| TOTAL OPERATING REVENUE | N\A | N\A | 18,651 | 20,460 | 30,225 | 32,613 | 69,978 | 72,467 | N\A | 13,306 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | N\A | N\A | 1,181 | 2,059 | 0 | 0 | 604 | 775 | N\A | 0 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | N\A | N\A | 0 | 2,750 | 12,960 | 13,860 | 9,922 | 31,495 | N\A | 0 |
| EMPLOYEE PENSION & BENEFITS | N\A | N\A | 0 | 0 | 0 | 2,234 | 0 | 2,967 | N\A | 0 |
| PURCHASED WATER | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 2,978 |
| PURCHASED POWER | N\A | N\A | 1,432 | 1,462 | 5,692 | 4,868 | 4,612 | 3,939 | N\A | 0 |
| FUEL FOR POWER PRODUCTION | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 |
| CHEMICALS | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 |
| MATERIALS & SUPPLIES | N\A | N\A | 194 | 691 | 1,357 | 1,763 | 1,556 | 608 | N\A | 0 |
| CONTRACTUAL SERVICES | N\A | N\A | 675 | 134 | 1,241 | 1,190 | 3,639 | 1,501 | N\A | 0 |
| RENTS | N\A | N\A | 0 | 0 | 4,800 | 4,800 | 6,000 | 6,000 | N\A | 0 |
| TRANSPORTATION EXPENSE | N\A | N\A | 0 | 0 | 0 | 0 | 2,490 | 1,627 | N\A | 0 |
| INSURANCE EXPENSE | N\A | N\A | 0 | 146 | 798 | 652 | 2,389 | 4,251 | N\A | 0 |
| REGULATORY COMMISSION EXPENSES | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 |
| BAD DEBT EXPENSE | N\A | N\A | 21 | 0 | 0 | 0 | 0 | 370 | N\A | 0 |
| MISCELLANEOUS EXPENSES | N\A | N\A | 0 | 915 | 993 | 851 | 316 | 1,292 | N\A | 7,837 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | N\A | N\A | 3,503 | 8,177 | 27,841 | 30,218 | 31,528 | 54,825 | N\A | 10,815 |
| DEPRECIATION & AMORTIZATION EXPENSE | N\A | N\A | 3,681 | 2,400 | 2,530 | 1,671 | 27,763 | 28,093 | N\A | 4,923 |
| TAXES OTHER THAN INCOME | N\A | N\A | 1,811 | 946 | 5,914 | 3,392 | 6,110 | 9,508 | N\A | 598 |
| INCOME TAXES | N\A | N\A | 0 | 0 | 0 | 361 | 0 | 0 | N\A | 0 |
| TOTAL OPERATING EXPENSES | N\A | N\A | 8,995 | 11,523 | 36,285 | 35,642 | 65,401 | 92,426 | N\A | 16,336 |
| NET OPERATING INCOME(LOSS) | N\A | N\A | $9,656 | $8,937 | ($6,060) | ($3,029) | $4,577 | ($19,959) | N\A | ($3,030) |
| OTHER INCOME | N\A | N\A | 0 | 306 | 1,035 | 5,077 | 0 | 0 | N\A | 0 |
| OTHER DEDUCTIONS | N\A | N\A | 0 | 2,502 | 0 | 0 | 23,776 | 21,496 | N\A | 0 |
| NET INCOME(LOSS) | N\A | N\A | $9,656 | $6,741 | ($5,025) | $2,048 | ($19,199) | ($41,455) | N\A | ($3,030) |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | N\A | N\A | 18.78% | 39.97% | 92.11% | 92.66% | 45.05% | 75.66% | N\A | 81.28% |
| DEPRECIATION & AMORTIZATION EXPENSES | N\A | N\A | 19.74% | 11.73% | 8.37% | 5.12% | 39.67% | 38.77% | N\A | 37.00% |
| TAXES OTHER THAN INCOME | N\A | N\A | 9.71% | 4.62% | 19.57% | 10.40% | 8.73% | 13.12% | N\A | 4.49% |
| INCOME TAXES | N\A | N\A | 0.00% | 0.00% | 0.00% | 1.11% | 0.00% | 0.00% | N\A | 0.00% |
| TOTAL DEDUCTIONS | N\A | N\A | 48.23% | 56.32% | 120.05% | 109.29% | 93.46% | 127.54% | N\A | 122.77% |
| NET OPERATING INCOME (LOSS) | N\A | N\A | 51.77% | 43.68% | -20.05% | -9.29% | 6.54% | -27.54% | N\A | -22.77% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | DESERT WATER COMPANY (11) | | DIAMOND POINT WATER CO. (12) | | DISHMAN WATER COMPANY, INC. (13) | | EL RANCHO WATER COMPANY, INC. (14) | | ELLIOTT LAKE WATER COMPANY, INC. (15) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **CUSTOMERS:** | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | N\A | N\A | 130 | 127 | 14 | 14 | 259 | 263 | 46 | 46 |
| COMMERCIAL-ANNUAL AVERAGE | N\A | N\A | 0 | 0 | 79 | 87 | 0 | 0 | 0 | 0 |
| INDUSTRIAL-ANNUAL AVERAGE | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CUSTOMERS | N\A | N\A | 130 | 127 | 93 | 101 | 259 | 263 | 46 | 46 |
| **OTHER STATISTICS:** | | | | | | | | | | |
| NO. OF WELLS | N\A | N\A | 2 | 2 | 1 | 1 | 2 | 2 | N\A | 2 |
| CAPACITY OF PUMPS -- (GPM) | N\A | N\A | 400 | 400 | 104 | 104 | 648 | 648 | N\A | 175 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | N\A | N\A | 125,000 | 182,000 | 50,000 | 50,000 | 435,000 | 435,000 | N\A | 2,000 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | N\A | N\A | 62.72 | N\A | N\A | N\A | 130.73 | N\A | N/A |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | N\A | N\A | $2.57 | N\A | N\A | N\A | $2.02 | N\A | N/A |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | N\A | N\A | $13.43 | N\A | $15.85 | N\A | $22.01 | N\A | $13.91 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | N\A | N\A | $714.50 | N\A | $157.12 | N\A | $3,250.53 | N\A | $852.00 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| ACCUMULATED DEPRECIATION | DESERT WATER COMPANY (11) | | DIAMOND POINT WATER CO. (12) | | DISHMAN WATER COMPANY, INC. (13) | | EL RANCHO WATER COMPANY, INC. (14) | | ELLIOTT LAKE WATER COMPANY, INC. (15) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Structures & Improvements | N\A | N\A | $0 | $0 | $4,238 | $4,238 | $8,275 | $9,278 | $0 | $0 |
| Collecting & Impounding Reservoirs | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River & Other Intakes | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Well & Springs | N\A | N\A | 8,493 | 8,991 | 4,160 | 4,290 | 32,940 | 36,600 | 1,688 | 2,159 |
| Supply Mains | N\A | N\A | 4,981 | 5,209 | 0 | 0 | 0 | 0 | 32,350 | 36,199 |
| Power Generating Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | N\A | N\A | 17,125 | 17,846 | 1,764 | 1,834 | 20,136 | 22,765 | 5,698 | 6,301 |
| Water Treatment Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution Reservoirs & Standpipes | N\A | N\A | 9,936 | 10,540 | 0 | 0 | 28,667 | 32,566 | 0 | 0 |
| Trans. & Dist. Mains | N\A | N\A | 4,045 | 4,221 | 26,254 | 26,465 | 110,091 | 125,356 | 0 | 0 |
| Services | N\A | N\A | 1,472 | 1,541 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter & Meter Installations | N\A | N\A | 470 | 492 | 5,044 | 5,044 | 4,013 | 4,633 | 0 | 0 |
| Hydrants | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Plant and Misc.Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | N\A | N\A | 1,766 | 1,848 | 0 | 0 | 284 | 431 | 0 | 0 |
| Transportation Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 34 | 58 | 0 | 0 |
| Tools, Shop and Garage Equipment | N\A | N\A | 0 | 0 | 290 | 290 | 0 | 0 | 0 | 0 |
| Power Operated Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | N\A | N\A | 0 | 0 | 8,400 | 9,660 | 6,711 | 7,557 | 0 | 0 |
| Total Accumulated Depreciation | N\A | N\A | $48,288 | $50,688 | $50,150 | $51,821 | $211,151 | $239,244 | $39,736 | $44,659 |

| CURRENT RATES & SERVICE LIVES | DESERT WATER COMPANY (11) | | DIAMOND POINT WATER CO. (12) | | DISHMAN WATER COMPANY, INC. (13) | | EL RANCHO WATER COMPANY, INC. (14) | | ELLIOTT LAKE WATER COMPANY, INC. (15) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Structures & Improvements | N\A | N\A | 0 | 0.00% | 30 | 3.33% | 35 | 2.86% | 0 | 0.00% |
| Collecting & Impounding Reservoirs | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Lake River & Other Intakes | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Well & Springs | N\A | N\A | 25 | 2.90% | 50 | 2.00% | 25 | 4.00% | 15 | 6.67% |
| Supply Mains | N\A | N\A | 50 | 1.30% | 0 | 0.00% | 0 | 0.00% | 15 | 6.67% |
| Power Generating Equipment | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Pumping Equipment | N\A | N\A | 20 | 5.00% | 25 | 4.00% | 20 | 5.00% | 10 | 10.00% |
| Water Treatment Equipment | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Distribution Reservoirs & Standpipes | N\A | N\A | 30 | 2.50% | 0 | 0.00% | 30 | 3.33% | 0 | 0.00% |
| Trans. & Dist. Mains | N\A | N\A | 50 | 1.30% | 50 | 2.00% | 50 | 2.00% | 0 | 0.00% |
| Services | N\A | N\A | 30 | 2.50% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Meter & Meter Installations | N\A | N\A | 40 | 2.00% | 40 | 2.50% | 35 | 2.86% | 0 | 0.00% |
| Hydrants | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other Plant and Misc.Equipment | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Office Furniture and Equipment | N\A | N\A | 20 | 5.00% | 0 | 0.00% | 20 | 5.00% | 0 | 0.00% |
| Transportation Equipment | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 7 | 14.29% | 0 | 0.00% |
| Tools, Shop and Garage Equipment | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Power Operated Equipment | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other Tangible Plant | N\A | N\A | 0 | 0.00% | 10 | 10.00% | 35 | 2.86% | 0 | 0.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| Account Description | DESERT WATER COMPANY (11) | | DIAMOND POINT WATER CO. (12) | | DISHMAN WATER COMPANY, INC. (13) | | EL RANCHO WATER COMPANY, INC. (14) | | ELLIOTT LAKE WATER COMPANY, INC. (15) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1987 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Organization | N\A | N\A | $1,260 | $1,260 | $1,727 | $1,727 | $0 | $0 | $0 | $0 |
| Franchises | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land and Land Rights | N\A | N\A | 16,515 | 16,515 | 1,000 | 1,000 | 0 | 0 | 10,000 | 10,000 |
| Structures and Improvements | N\A | N\A | 0 | 0 | 4,238 | 4,238 | 35,100 | 35,100 | 0 | 0 |
| Collecting and Impounding Reservoirs | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River and Other Intakes | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wells and Springs | N\A | N\A | 25,178 | 25,178 | 6,500 | 6,500 | 91,500 | 91,500 | 7,438 | 7,438 |
| Supply Mains | N\A | N\A | 11,498 | 11,498 | 0 | 0 | 0 | 0 | 57,741 | 57,741 |
| Power Generation Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | N\A | N\A | 36,421 | 36,421 | 2,481 | 2,481 | 52,585 | 52,585 | 8,672 | 8,672 |
| Water Treatment Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution Reservoirs and Standpipes | N\A | N\A | 30,511 | 58,771 | 0 | 0 | 117,000 | 117,000 | 0 | 0 |
| Transmission and Distribution Mains | N\A | N\A | 8,936 | 8,936 | 33,652 | 33,652 | 763,260 | 763,260 | 0 | 0 |
| Services | N\A | N\A | 3,500 | 3,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meters and Meter Installations | N\A | N\A | 1,068 | 1,068 | 5,044 | 5,044 | 21,880 | 21,880 | 0 | 0 |
| Hydrants | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Plant and Misc. Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | N\A | N\A | 4,115 | 4,115 | 0 | 0 | 2,937 | 2,937 | 0 | 0 |
| Transportation Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 165 | 165 | 0 | 0 |
| Tools, Shop and Garage Equipment | N\A | N\A | 0 | 0 | 290 | 290 | 0 | 0 | 0 | 0 |
| Power Operated Equipment | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | N\A | N\A | 0 | 0 | 12,600 | 12,600 | 29,600 | 29,600 | 0 | 0 |
| Total Utility Plant | N\A | N\A | $139,002 | $167,262 | $67,533 | $67,533 | $1,114,027 | $1,114,027 | $83,851 | $83,851 |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | N\A | N\A | $17,775 | $17,775 | $2,727 | $2,727 | $0 | $0 | $10,000 | $10,000 |
| Depreciable | N\A | N\A | 121,227 | 149,487 | 64,805 | 64,805 | 1,114,027 | 1,114,027 | 73,851 | 73,851 |
| Total Utility Plant | N\A | N\A | $139,002 | $167,262 | $67,533 | $67,533 | $1,114,027 | $1,114,027 | $83,851 | $83,851 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | ESTATES WATER SYSTEMS, INC. (16) | | EVERGREEN LAND & WATER INC. (17) | | FROG POND WATERS INC. (18) | | G & W AQUA, INC. (19) | | GAMBLE BAY WATER, INC. (20) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| ASSETS: | | | | | | | | | | |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | $256,363 | $256,497 | $180,447 | $182,888 | $240,165 | $261,706 | N\A | $134,413 | N\A | N\A |
| CONSTRUCTION WORK IN PROGRESS | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| OTHER | 0 | 0 | 0 | 0 | 11,443 | 0 | N\A | 0 | N\A | N\A |
| TOTAL UTILITY PLANT | 256,363 | 256,497 | 180,447 | 182,888 | 251,608 | 261,706 | N\A | 134,413 | N\A | N\A |
| ACCUM.PROV. FOR DEPR. & AMORT. | 57,798 | 62,601 | 55,682 | 62,593 | 14,780 | 19,791 | N\A | 46,805 | N\A | N\A |
| NET UTILITY PLANT | 198,565 | 193,896 | 124,765 | 120,295 | 236,828 | 241,915 | N\A | 87,608 | N\A | N\A |
| CASH | 7,511 | (794) | 556 | 1 | 651 | 1,242 | N\A | 811 | N\A | N\A |
| CUSTOMER ACCOUNTS RECEIVABLE | 0 | 0 | 1,121 | 1,150 | 8,029 | 8,258 | N\A | 0 | N\A | N\A |
| OTHER ASSETS | 0 | 1,500 | 7,555 | 7,555 | 347 | 41 | N\A | 57,808 | N\A | N\A |
| TOTAL ASSETS | $206,076 | $194,602 | $133,997 | $129,001 | $245,855 | $251,456 | N\A | $146,227 | N\A | N\A |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $10,215 | $10,215 | $1,200 | $1,200 | $1,000 | $1,000 | N\A | $0 | N\A | N\A |
| PREFERRED STOCK ISSUED | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| OTHER PAID IN CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 60,507 | N\A | N\A |
| RETAINED EARNINGS: | | | | | | | N\A | | N\A | N\A |
| APPROPRIATED | 39,168 | 38,384 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| UNAPPROPRIATED | 0 | 0 | 114,054 | 109,083 | (77,750) | 37,066 | N\A | (19,223) | N\A | N\A |
| PROPRIETARY CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| TOTAL CAPITAL | 49,383 | 48,599 | 115,254 | 110,283 | (76,750) | 38,066 | N\A | 41,284 | N\A | N\A |
| LONG-TERM DEBT | 0 | 0 | 3,151 | 3,151 | 0 | 0 | N\A | 67,522 | N\A | N\A |
| ACCOUNTS PAYABLE | 0 | 0 | 10,400 | 10,000 | 0 | 1,641 | N\A | 13,312 | N\A | N\A |
| NOTES PAYABLE | 94,993 | 72,803 | 0 | 0 | 113,044 | 127,538 | N\A | 0 | N\A | N\A |
| CUSTOMER DEPOSITS | 0 | 0 | 94 | 94 | 0 | 0 | N\A | 0 | N\A | N\A |
| ACCRUED TAXES | 0 | 0 | 0 | 0 | 703 | 1,173 | N\A | 0 | N\A | N\A |
| OTHER LIABILITIES | 0 | 0 | 748 | 748 | 370 | 300 | N\A | 7,959 | N\A | N\A |
| ADVANCES FOR CONSTRUCTION | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| CONTR. IN AID OF CONSTRUCTION | 61,700 | 73,200 | 4,350 | 4,725 | 208,488 | 82,738 | N\A | 16,150 | N\A | N\A |
| TOTAL LIABILITIES | 156,693 | 146,003 | 18,743 | 18,718 | 322,605 | 213,390 | N\A | 104,943 | N\A | N\A |
| TOTAL LIABILITIES AND CAPITAL | $206,076 | $194,602 | $133,997 | $129,001 | $245,855 | $251,456 | N\A | $146,227 | N\A | N\A |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | 22.55% | 24.41% | 30.86% | 34.22% | 6.15% | 7.56% | N\A | 34.82% | N\A | N\A |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 0.00% | 0.00% | 2.66% | 2.78% | 0.00% | 0.00% | N\A | 62.06% | N\A | N\A |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | ESTATES WATER SYSTEMS, INC. (16) | | EVERGREEN LAND & WATER INC. (17) | | FROG POND WATERS INC. (18) | | G & W AQUA, INC. (19) | | GAMBLE BAY WATER, INC. (20) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | $20,528 | $21,399 | $34,536 | $35,519 | $45,925 | $44,672 | N\A | $17,477 | N\A | N\A |
| COMMERCIAL | 0 | 0 | 0 | 2,160 | 0 | 0 | N\A | 0 | N\A | N\A |
| INDUSTRIAL | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| MULTIPLE FAMILY | 0 | 0 | 0 | 0 | 0 | 194 | N\A | 0 | N\A | N\A |
| OTHER | 0 | 0 | 0 | 281 | 0 | 0 | N\A | 2,019 | N\A | N\A |
| TOTAL OPERATING REVENUE | 20,528 | 21,399 | 34,536 | 37,960 | 45,925 | 44,866 | N\A | 19,496 | N\A | N\A |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 0 | 0 | 195 | 0 | 16,783 | 18,346 | N\A | 1,304 | N\A | N\A |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | 0 | 0 | 2,050 | 10,700 | 0 | 0 | N\A | 12,000 | N\A | N\A |
| EMPLOYEE PENSION & BENEFITS | 0 | 0 | 0 | 0 | 0 | 1,025 | N\A | 0 | N\A | N\A |
| PURCHASED WATER | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| PURCHASED POWER | 1,696 | 2,055 | 5,445 | 5,304 | 5,694 | 0 | N\A | 5,855 | N\A | N\A |
| FUEL FOR POWER PRODUCTION | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| CHEMICALS | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| MATERIALS & SUPPLIES | 69 | 0 | 0 | 3,453 | 1,388 | 0 | N\A | 374 | N\A | N\A |
| CONTRACTUAL SERVICES | 0 | 0 | 10,532 | 10,655 | 32,579 | 5,664 | N\A | 6,740 | N\A | N\A |
| RENTS | 0 | 0 | 0 | 100 | 0 | 0 | N\A | 1,200 | N\A | N\A |
| TRANSPORTATION EXPENSE | 1,200 | 1,286 | 195 | 586 | 2,233 | 1,703 | N\A | 100 | N\A | N\A |
| INSURANCE EXPENSE | 2,013 | 3,054 | 2,033 | 304 | 1,432 | 875 | N\A | 767 | N\A | N\A |
| REGULATORY COMMISSION EXPENSES | 0 | 0 | 36 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| BAD DEBT EXPENSE | 0 | 0 | 44 | 29 | 1,118 | 12 | N\A | 0 | N\A | N\A |
| MISCELLANEOUS EXPENSES | 0 | 0 | 0 | 861 | 1,388 | 7,445 | N\A | 525 | N\A | N\A |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 4,978 | 6,395 | 20,530 | 31,992 | 62,615 | 35,070 | N\A | 28,865 | N\A | N\A |
| DEPRECIATION & AMORTIZATION EXPENSE | 4,776 | 4,803 | 4,326 | 4,417 | 5,360 | 5,011 | N\A | 3,042 | N\A | N\A |
| TAXES OTHER THAN INCOME | 922 | 1,593 | 2,156 | 3,132 | 4,312 | 5,636 | N\A | 317 | N\A | N\A |
| INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| TOTAL OPERATING EXPENSES | 10,676 | 12,791 | 27,012 | 39,541 | 72,287 | 45,717 | N\A | 32,224 | N\A | N\A |
| NET OPERATING INCOME(LOSS) | $9,852 | $8,608 | $7,524 | ($1,581) | ($26,362) | ($851) | N\A | ($12,728) | N\A | N\A |
| OTHER INCOME | 3,940 | 3,720 | 0 | 73 | 396 | 0 | N\A | 8 | N\A | N\A |
| OTHER DEDUCTIONS | 16,020 | 13,112 | 98 | 286 | 6,446 | 10,780 | N\A | 6,502 | N\A | N\A |
| NET INCOME(LOSS) | ($2,228) | ($784) | $7,426 | ($1,794) | ($32,412) | ($11,631) | N\A | ($19,222) | N\A | N\A |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 24.25% | 29.88% | 59.45% | 84.28% | 136.34% | 78.17% | N\A | 148.06% | N\A | N\A |
| DEPRECIATION & AMORTIZATION EXPENSES | 23.27% | 22.44% | 12.53% | 11.64% | 11.67% | 11.17% | N\A | 15.60% | N\A | N\A |
| TAXES OTHER THAN INCOME | 4.49% | 7.44% | 6.24% | 8.25% | 9.39% | 12.56% | N\A | 1.63% | N\A | N\A |
| INCOME TAXES | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | N\A | 0.00% | N\A | N\A |
| TOTAL DEDUCTIONS | 52.01% | 59.77% | 78.21% | 104.16% | 157.40% | 101.90% | N\A | 165.29% | N\A | N\A |
| NET OPERATING INCOME (LOSS) | 47.99% | 40.23% | 21.79% | -4.16% | -57.40% | -1.90% | N\A | -65.29% | N\A | N\A |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | ESTATES WATER SYSTEMS, INC. (16) | | EVERGREEN LAND & WATER INC. (17) | | FROG POND WATERS INC. (18) | | G & W AQUA, INC. (19) | | GAMBLE BAY WATER, INC. (20) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **CUSTOMERS:** | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 109 | 112 | 191 | 192 | 347 | 347 | 52 | 52 | N\A | N\A |
| COMMERCIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A |
| OTHERS-ANNUAL AVERAGE | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | N\A |
| TOTAL CUSTOMERS | 110 | 113 | 191 | 192 | 347 | 347 | 52 | 52 | N\A | N\A |
| **OTHER STATISTICS:** | | | | | | | | | | |
| NO. OF WELLS | N\A | 2 | 7 | 7 | 5 | 5 | N\A | N/A | N\A | N\A |
| CAPACITY OF PUMPS -- (GPM) | N\A | 390 | 271 | 271 | 303 | 303 | N\A | N/A | N\A | N\A |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | N\A | 185,000 | 980 | 48,360 | 135,000 | 135,000 | N\A | N/A | N\A | N\A |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | 262.28 | N\A | N/A | N\A | 980.79 | N\A | N/A | N\A | N\A |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | $0.73 | N\A | N/A | N\A | $0.13 | N\A | N/A | N\A | N\A |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | $15.92 | N\A | $15.42 | N\A | $10.73 | N\A | $28.01 | N\A | N\A |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | $1,068.11 | N\A | $627.16 | N\A | $458.72 | N\A | $1,374.19 | N\A | N\A |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | ESTATES WATER SYSTEMS, INC. (16) | | EVERGREEN LAND & WATER INC. (17) | | FROG POND WATERS INC. (18) | | G & W AQUA, INC. (19) | | GAMBLE BAY WATER, INC. (20) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACCUMULATED DEPRECIATION | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Account Description | | | | | | | | | | |
| Structures & Improvements | $5,763 | $5,763 | $3,886 | $4,190 | $200 | $221 | N\A | $1,579 | N\A | N\A |
| Collecting & Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| Lake River & Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| Well & Springs | 4,722 | 5,325 | 7,810 | 8,428 | 0 | 0 | N\A | 1,623 | N\A | N\A |
| Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| Power Generating Equipment | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| Pumping Equipment | 23,623 | 25,429 | 9,844 | 10,908 | 2,198 | 2,401 | N\A | 21,208 | N\A | N\A |
| Water Treatment Equipment | 0 | 0 | 316 | 353 | 0 | 0 | N\A | 0 | N\A | N\A |
| Distribution Reservoirs & Standpipes | 0 | 0 | 2,138 | 2,432 | 0 | 0 | N\A | 4,751 | N\A | N\A |
| Trans. & Dist. Mains | 23,210 | 25,484 | 23,315 | 26,745 | 0 | 188 | N\A | 10,607 | N\A | N\A |
| Services | 0 | 0 | 1,044 | 1,131 | 0 | 20 | N\A | 4,937 | N\A | N\A |
| Meter & Meter Installations | 0 | 0 | 2,784 | 3,032 | 0 | 0 | N\A | 0 | N\A | N\A |
| Hydrants | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 2,100 | N\A | N\A |
| Other Plant and Misc.Equipment | 0 | 0 | 0 | 10 | 12,286 | 16,849 | N\A | 0 | N\A | N\A |
| Office Furniture and Equipment | 0 | 0 | 227 | 283 | 0 | 0 | N\A | 0 | N\A | N\A |
| Transportation Equipment | 0 | 0 | 458 | 636 | 0 | 0 | N\A | 0 | N\A | N\A |
| Tools, Shop and Garage Equipment | 0 | 0 | 1,402 | 1,568 | 0 | 0 | N\A | 0 | N\A | N\A |
| Power Operated Equipment | 0 | 0 | 2,097 | 2,330 | 0 | 0 | N\A | 0 | N\A | N\A |
| Other Tangible Plant | 0 | 0 | 361 | 547 | 96 | 112 | N\A | 0 | N\A | N\A |
| Total Accumulated Depreciation | $57,318 | $62,001 | $55,682 | $62,593 | $14,780 | $19,791 | N\A | $46,805 | N\A | N\A |
| CURRENT RATES & SERVICE LIVES | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Account Description | | | | | | | | | | |
| Structures & Improvements | 10 | 10.00% | 40 | 2.50% | 50 | 2.00% | 40 | 2.50% | N\A | N\A |
| Collecting & Impounding Reservoirs | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Lake River & Other Intakes | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Well & Springs | 33 | 3.33% | 30 | 3.33% | 0 | 0.00% | 35 | 2.86% | N\A | N\A |
| Supply Mains | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Power Generating Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Pumping Equipment | 20 | 5.00% | 20 | 5.00% | 50 | 2.00% | 20 | 5.00% | N\A | N\A |
| Water Treatment Equipment | 0 | 0.00% | 25 | 4.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Distribution Reservoirs & Standpipes | 0 | 0.00% | 50 | 2.00% | 0 | 0.00% | 60 | 1.67% | N\A | N\A |
| Trans. & Dist. Mains | 50 | 2.00% | 50 | 2.00% | 50 | 2.00% | 75 | 1.33% | N\A | N\A |
| Services | 0 | 0.00% | 40 | 2.50% | 35 | 2.35% | 50 | 2.00% | N\A | N\A |
| Meter & Meter Installations | 0 | 0.00% | 50 | 2.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Hydrants | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 60 | 1.58% | N\A | N\A |
| Other Plant and Misc.Equipment | 0 | 0.00% | 0 | 0.00% | 50 | 2.00% | 0 | 0.00% | N\A | N\A |
| Office Furniture and Equipment | 0 | 0.00% | 25 | 4.45% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Transportation Equipment | 0 | 0.00% | 10 | 10.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Tools, Shop and Garage Equipment | 0 | 0.00% | 20 | 5.00% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Power Operated Equipment | 0 | 0.00% | 15 | 6.67% | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Other Tangible Plant | 0 | 0.00% | 40 | 3.30% | 50 | 2.00% | 0 | 0.00% | N\A | N\A |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| Account Description | ESTATES WATER SYSTEMS, INC. (16) | | EVERGREEN LAND & WATER INC. (17) | | FROG POND WATERS INC. (18) | | G & W AQUA, INC. (19) | | GAMBLE BAY WATER, INC. (20) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Organization | $600 | $600 | $1,372 | $1,372 | $3,235 | $3,235 | N\A | $475 | N\A | N\A |
| Franchises | 0 | 0 | 216 | 216 | 0 | 0 | N\A | 0 | N\A | N\A |
| Land and Land Rights | 30,000 | 30,000 | 468 | 468 | 8,208 | 8,208 | N\A | 0 | N\A | N\A |
| Structures and Improvements | 5,763 | 5,763 | 14,669 | 14,669 | 1,052 | 1,052 | N\A | 3,998 | N\A | N\A |
| Collecting and Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| Lake River and Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| Wells and Springs | 23,431 | 23,431 | 21,681 | 21,681 | 0 | 0 | N\A | 3,599 | N\A | N\A |
| Supply Mains | 0 | 0 | 90 | 90 | 0 | 0 | N\A | 0 | N\A | N\A |
| Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | N\A | N\A |
| Pumping Equipment | 50,346 | 50,480 | 23,063 | 23,778 | 10,145 | 10,145 | N\A | 32,016 | N\A | N\A |
| Water Treatment Equipment | 0 | 0 | 912 | 912 | 0 | 0 | N\A | 0 | N\A | N\A |
| Distribution Reservoirs and Standpipes | 0 | 0 | 14,335 | 15,685 | 0 | 0 | N\A | 19,313 | N\A | N\A |
| Transmission and Distribution Mains | 146,223 | 146,223 | 63,800 | 63,800 | 0 | 9,401 | N\A | 50,691 | N\A | N\A |
| Services | 0 | 0 | 9,065 | 9,440 | 0 | 697 | N\A | 15,639 | N\A | N\A |
| Meters and Meter Installations | 0 | 0 | 13,127 | 13,127 | 0 | 0 | N\A | 286 | N\A | N\A |
| Hydrants | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 8,396 | N\A | N\A |
| Other Plant and Misc. Equipment | 0 | 0 | 200 | 200 | 228,168 | 228,168 | N\A | 0 | N\A | N\A |
| Office Furniture and Equipment | 0 | 0 | 1,209 | 1,209 | 0 | 0 | N\A | 0 | N\A | N\A |
| Transportation Equipment | 0 | 0 | 1,777 | 1,777 | 0 | 0 | N\A | 0 | N\A | N\A |
| Tools, Shop and Garage Equipment | 0 | 0 | 3,331 | 3,331 | 0 | 0 | N\A | 0 | N\A | N\A |
| Power Operated Equipment | 0 | 0 | 3,500 | 3,500 | 0 | 0 | N\A | 0 | N\A | N\A |
| Other Tangible Plant | 0 | 0 | 7,632 | 7,632 | 800 | 800 | N\A | 0 | N\A | N\A |
| Total Utility Plant | $256,363 | $256,497 | $180,447 | $182,887 | $251,608 | $261,706 | N\A | $134,413 | N\A | N\A |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | $30,600 | $30,600 | $2,056 | $2,056 | $11,443 | $11,443 | N\A | $475 | N\A | N\A |
| Depreciable | 225,763 | 225,897 | 178,391 | 180,831 | 240,165 | 250,263 | N\A | 133,938 | N\A | N\A |
| Total Utility Plant | $256,363 | $256,497 | $180,447 | $182,887 | $251,608 | $261,706 | N\A | $134,413 | N\A | N\A |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | GOLD BEACH WATER COMPANY, INC. (21) | | H & R WATER WORKS, INC. (22) | | THE H2O COMPANY (23) | | HARRISON-RAY WATER COMPANY, INC. (24) | | INDIAN SPRINGS WATER CO. (25) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| ASSETS: | | | | | | | | | | |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | N\A | $80,011 | N\A | N\A | $273,249 | $273,249 | $462,750 | $462,750 | $488,211 | $543,068 |
| CONSTRUCTION WORK IN PROGRESS | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | N\A | 0 | N\A | N\A | 0 | 0 | 1,450 | 1,450 | 0 | 0 |
| TOTAL UTILITY PLANT | N\A | 80,011 | N\A | N\A | 273,249 | 273,249 | 464,200 | 464,200 | 488,211 | 543,068 |
| ACCUM.PROV. FOR DEPR. & AMORT. | N\A | 21,195 | N\A | N\A | 40,361 | 41,657 | 132,910 | 147,075 | 24,250 | 27,933 |
| NET UTILITY PLANT | N\A | 58,816 | N\A | N\A | 232,888 | 231,592 | 331,290 | 317,125 | 463,961 | 515,135 |
| CASH | N\A | 2,115 | N\A | N\A | 0 | 59 | 2,048 | 15,237 | 8,727 | 3,597 |
| CUSTOMER ACCOUNTS RECEIVABLE | N\A | 637 | N\A | N\A | 0 | 1,620 | 3,270 | 2,710 | 3,733 | 3,801 |
| OTHER ASSETS | N\A | 856 | N\A | N\A | 5,620 | 4,000 | 0 | 0 | 998 | 906 |
| TOTAL ASSETS | N\A | $62,424 | N\A | N\A | $238,508 | $237,271 | $336,608 | $335,072 | $477,419 | $523,439 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | N\A | $10,000 | N\A | N\A | $0 | $0 | $37,071 | $37,071 | $600 | $600 |
| PREFERRED STOCK ISSUED | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER PAID IN CAPITAL | N\A | 14,271 | N\A | N\A | 0 | 0 | 119,713 | 119,713 | 0 | 0 |
| RETAINED EARNINGS: | N\A | | N\A | N\A | | | | | | |
| APPROPRIATED | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| UNAPPROPRIATED | N\A | 7,476 | N\A | N\A | 0 | 0 | (59,960) | (2,400) | (7,785) | (18,711) |
| PROPRIETARY CAPITAL | N\A | 0 | N\A | N\A | 49,882 | 57,175 | 0 | 0 | 0 | 0 |
| TOTAL CAPITAL | N\A | 31,747 | N\A | N\A | 49,882 | 57,175 | 96,824 | 154,384 | (7,185) | (18,111) |
| LONG-TERM DEBT | N\A | 0 | N\A | N\A | 53,834 | 45,242 | 202,464 | 178,747 | 74,416 | 72,186 |
| ACCOUNTS PAYABLE | N\A | 23,719 | N\A | N\A | 237 | 0 | 123 | 626 | 2,466 | 6,186 |
| NOTES PAYABLE | N\A | 5,308 | N\A | N\A | 0 | 0 | 18,400 | 0 | 0 | 0 |
| CUSTOMER DEPOSITS | N\A | 0 | N\A | N\A | 2,555 | 2,854 | 0 | 0 | 0 | 0 |
| ACCRUED TAXES | N\A | 0 | N\A | N\A | 390 | 390 | 575 | 1,315 | 448 | 527 |
| OTHER LIABILITIES | N\A | 0 | N\A | N\A | 0 | 0 | 18,222 | 0 | 4,292 | 8,593 |
| ADVANCES FOR CONSTRUCTION | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 1,260 |
| CONTR. IN AID OF CONSTRUCTION | N\A | 1,650 | N\A | N\A | 131,610 | 131,610 | 0 | 0 | 402,982 | 452,798 |
| TOTAL LIABILITIES | N\A | 30,677 | N\A | N\A | 188,626 | 180,096 | 239,784 | 180,688 | 484,604 | 541,550 |
| TOTAL LIABILITIES AND CAPITAL | N\A | $62,424 | N\A | N\A | $238,508 | $237,271 | $336,608 | $335,072 | $477,419 | $523,439 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | N\A | 26.49% | N\A | N\A | 14.77% | 15.25% | 28.72% | 31.78% | 4.97% | 5.14% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | N\A | 0.00% | N\A | N\A | 51.91% | 44.17% | 67.65% | 53.66% | 110.69% | 133.49% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | GOLD BEACH WATER COMPANY, INC. (21) | | H & R WATER WORKS, INC. (22) | | THE H2O COMPANY (23) | | HARRISON-RAY WATER COMPANY, INC. (24) | | INDIAN SPRINGS WATER CO. (25) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | N\A | $21,055 | N\A | N\A | $41,916 | $43,163 | $73,245 | $74,010 | $37,705 | $44,059 |
| COMMERCIAL | N\A | 0 | N\A | N\A | 0 | 0 | 420 | 0 | 777 | 1,591 |
| INDUSTRIAL | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| MULTIPLE FAMILY | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 709 | 972 |
| TOTAL OPERATING REVENUE | N\A | 21,055 | N\A | N\A | 41,916 | 43,163 | 73,665 | 74,010 | 39,191 | 46,622 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | N\A | 1,281 | N\A | N\A | 0 | 0 | 18,867 | 15,956 | 0 | 0 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | N\A | 9,000 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYEE PENSION & BENEFITS | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| PURCHASED WATER | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| PURCHASED POWER | N\A | 3,104 | N\A | N\A | 2,472 | 2,608 | 0 | 0 | 1,585 | 1,618 |
| FUEL FOR POWER PRODUCTION | N\A | 0 | N\A | N\A | 0 | 0 | 15,005 | 14,375 | 0 | 0 |
| CHEMICALS | N\A | 0 | N\A | N\A | 0 | 0 | 201 | 460 | 0 | 356 |
| MATERIALS & SUPPLIES | N\A | 2,367 | N\A | N\A | 0 | 0 | 4,935 | 5,921 | 1,620 | 1,914 |
| CONTRACTUAL SERVICES | N\A | 2,237 | N\A | N\A | 370 | 210 | 1,553 | 3,833 | 19,114 | 28,809 |
| RENTS | N\A | 1,200 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| TRANSPORTATION EXPENSE | N\A | 0 | N\A | N\A | 567 | 22 | 163 | 1,102 | 0 | 0 |
| INSURANCE EXPENSE | N\A | 0 | N\A | N\A | 1,613 | 1,987 | 5,023 | 4,955 | 2,401 | 2,810 |
| REGULATORY COMMISSION EXPENSES | N\A | 0 | N\A | N\A | 52 | 0 | 0 | 656 | 240 | 0 |
| BAD DEBT EXPENSE | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS EXPENSES | N\A | 0 | N\A | N\A | 6,418 | 4,777 | 1,483 | 763 | 707 | 82 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | N\A | 19,189 | N\A | N\A | 11,492 | 9,604 | 47,230 | 48,021 | 25,667 | 35,589 |
| DEPRECIATION & AMORTIZATION EXPENSE | N\A | 1,399 | N\A | N\A | 7,337 | 1,296 | 14,165 | 14,165 | 3,435 | 3,683 |
| TAXES OTHER THAN INCOME | N\A | 1,439 | N\A | N\A | 4,180 | 2,765 | 7,024 | 12,442 | 6,429 | 7,443 |
| INCOME TAXES | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | (207) | 4,289 |
| TOTAL OPERATING EXPENSES | N\A | 22,027 | N\A | N\A | 23,009 | 13,665 | 68,419 | 74,628 | 35,324 | 51,004 |
| NET OPERATING INCOME(LOSS) | N\A | ($972) | N\A | N\A | $18,907 | $29,498 | $5,246 | ($618) | $3,867 | ($4,382) |
| OTHER INCOME | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 75,658 | 156 | 657 |
| OTHER DEDUCTIONS | N\A | 915 | N\A | N\A | 6,887 | 5,808 | 20,036 | 17,480 | 7,167 | 7,201 |
| NET INCOME(LOSS) | N\A | ($1,887) | N\A | N\A | $12,020 | $23,690 | ($14,790) | $57,560 | ($3,144) | ($10,926) |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | N\A | 91.14% | N\A | N\A | 27.42% | 22.25% | 64.11% | 64.88% | 65.49% | 76.34% |
| DEPRECIATION & AMORTIZATION EXPENSES | N\A | 6.64% | N\A | N\A | 17.50% | 3.00% | 19.23% | 19.14% | 8.76% | 7.90% |
| TAXES OTHER THAN INCOME | N\A | 6.83% | N\A | N\A | 9.97% | 6.41% | 9.54% | 16.81% | 16.40% | 15.96% |
| INCOME TAXES | N\A | 0.00% | N\A | N\A | 0.00% | 0.00% | 0.00% | 0.00% | -0.53% | 9.20% |
| TOTAL DEDUCTIONS | N\A | 104.62% | N\A | N\A | 54.89% | 31.66% | 92.88% | 100.84% | 90.13% | 109.40% |
| NET OPERATING INCOME (LOSS) | N\A | -4.62% | N\A | N\A | 45.11% | 68.34% | 7.12% | -0.84% | 9.87% | -9.40% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | GOLD BEACH WATER COMPANY, INC. (21) | | H & R WATER WORKS, INC. (22) | | THE H2O COMPANY (23) | | HARRISON-RAY WATER COMPANY, INC. (24) | | INDIAN SPRINGS WATER CO. (25) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **CUSTOMERS:** | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 97 | 100 | N\A | N\A | 305 | 305 | 206 | 206 | 226 | 238 |
| COMMERCIAL-ANNUAL AVERAGE | 0 | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 1 | 2 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | 0 | 0 | N\A | N\A | 0 | 0 | 1 | 1 | 2 | 2 |
| TOTAL CUSTOMERS | 97 | 100 | N\A | N\A | 305 | 305 | 207 | 207 | 229 | 242 |
| **OTHER STATISTICS:** | | | | | | | | | | |
| NO. OF WELLS | N\A | 2 | N\A | N\A | 4 | 4 | 3 | 3 | 4 | 4 |
| CAPACITY OF PUMPS -- (GPM) | N\A | 205 | N\A | N\A | 1,650 | 1,650 | 3,000 | 3,000 | 244 | 244 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | N\A | 85,000 | N\A | N\A | 28,000 | 28,000 | 85,000 | 85,000 | 155,000 | 155,000 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | N/A | N\A | N\A | N\A | 130.26 | N\A | 382.28 | N\A | 122.45 |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | N/A | N\A | N\A | N\A | $1.09 | N\A | $0.94 | N\A | $1.51 |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | $17.55 | N\A | N\A | N\A | $11.79 | N\A | $29.94 | N\A | $15.43 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | $571.66 | N\A | N\A | N\A | $327.81 | N\A | $1,532.00 | N\A | $257.59 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | GOLD BEACH WATER COMPANY, INC. (21) | | H & R WATER WORKS, INC. (22) | | THE H2O COMPANY (23) | | HARRISON-RAY WATER COMPANY, INC. (24) | | INDIAN SPRINGS WATER CO. (25) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACCUMULATED DEPRECIATION | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Account Description | | | | | | | | | | |
| Structures & Improvements | N\A | $322 | N\A | N\A | $3,254 | $3,335 | $7,652 | $8,334 | $289 | $399 |
| Collecting & Impounding Reservoirs | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River & Other Intakes | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Well & Springs | N\A | 0 | N\A | N\A | 12,078 | 12,380 | 31,973 | 35,478 | 0 | 0 |
| Supply Mains | N\A | 4,656 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Generating Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | N\A | 2,034 | N\A | N\A | 11,602 | 12,130 | 39,486 | 43,804 | 768 | 1,104 |
| Water Treatment Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution Reservoirs & Standpipes | N\A | 3,679 | N\A | N\A | 0 | 0 | 0 | 0 | 10,741 | 12,147 |
| Trans. & Dist. Mains | N\A | 9,561 | N\A | N\A | 12,622 | 12,840 | 42,658 | 47,183 | 1,782 | 2,204 |
| Services | N\A | 3 | N\A | N\A | 0 | 0 | 0 | 0 | 8,160 | 9,301 |
| Meter & Meter Installations | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 871 | 1,007 |
| Hydrants | N\A | 672 | N\A | N\A | 0 | 0 | 0 | 0 | 32 | 110 |
| Other Plant and Misc.Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | N\A | 268 | N\A | N\A | 805 | 972 | 0 | 0 | 261 | 269 |
| Transportation Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Tools, Shop and Garage Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 897 | 943 |
| Power Operated Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 11,141 | 12,276 | 0 | 0 |
| Other Tangible Plant | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Accumulated Depreciation | N\A | $21,195 | N\A | N\A | $40,361 | $41,657 | $132,910 | $147,075 | $23,801 | $27,484 |
| CURRENT RATES & SERVICE LIVES | | | | | | | | | | |
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Structures & Improvements | 35 | 2.86% | N\A | N\A | 20 | 5.00% | 35 | 2.86% | 35 | 2.86% |
| Collecting & Impounding Reservoirs | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Lake River & Other Intakes | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Well & Springs | 30 | 3.33% | N\A | N\A | 20 | 5.00% | 25 | 4.00% | 0 | 0.00% |
| Supply Mains | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Power Generating Equipment | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Pumping Equipment | 20 | 5.00% | N\A | N\A | 10 | 10.00% | 25 | 4.00% | 20 | 5.00% |
| Water Treatment Equipment | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Distribution Reservoirs & Standpipes | 40 | 2.50% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 30 | 3.33% |
| Trans. & Dist. Mains | 60 | 1.67% | N\A | N\A | 30 | 3.33% | 50 | 2.00% | 50 | 2.00% |
| Services | 50 | 2.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 30 | 3.33% |
| Meter & Meter Installations | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 40 | 2.50% |
| Hydrants | 50 | 2.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 40 | 2.50% |
| Other Plant and Misc.Equipment | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Office Furniture and Equipment | 21 | 4.73% | N\A | N\A | 10 | 10.00% | 0 | 0.00% | 20 | 5.00% |
| Transportation Equipment | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Tools, Shop and Garage Equipment | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 15 | 6.67% | 15 | 6.67% |
| Power Operated Equipment | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other Tangible Plant | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| Account Description | GOLD BEACH WATER COMPANY, INC. (21) | | H & R WATER WORKS, INC. (22) | | THE H2O COMPANY (23) | | HARRISON-RAY WATER COMPANY, INC. (24) | | INDIAN SPRINGS WATER CO. (25) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Organization | N\A | $0 | N\A | N\A | $0 | $0 | $0 | $0 | $449 | $449 |
| Franchises | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Land and Land Rights | N\A | 0 | N\A | N\A | 1,525 | 1,525 | 1,450 | 1,450 | 10,466 | 10,466 |
| Structures and Improvements | N\A | 3,580 | N\A | N\A | 4,557 | 4,557 | 23,874 | 23,874 | 6,628 | 6,628 |
| Collecting and Impounding Reservoirs | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River and Other Intakes | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Wells and Springs | N\A | 8,838 | N\A | N\A | 16,913 | 16,913 | 87,615 | 87,615 | 33,804 | 33,804 |
| Supply Mains | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Generation Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | N\A | 6,910 | N\A | N\A | 14,766 | 14,766 | 107,960 | 107,960 | 15,859 | 15,859 |
| Water Treatment Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution Reservoirs and Standpipes | N\A | 35,804 | N\A | N\A | 149,893 | 149,893 | 0 | 0 | 62,129 | 62,129 |
| Transmission and Distribution Mains | N\A | 20,144 | N\A | N\A | 0 | 0 | 226,269 | 226,269 | 277,369 | 321,539 |
| Services | N\A | 890 | N\A | N\A | 0 | 0 | 0 | 0 | 59,328 | 63,174 |
| Meters and Meter Installations | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 13,056 | 14,614 |
| Hydrants | N\A | 3,200 | N\A | N\A | 0 | 0 | 0 | 0 | 7,354 | 12,637 |
| Other Plant and Misc. Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | N\A | 645 | N\A | N\A | 3,501 | 3,501 | 0 | 0 | 368 | 368 |
| Transportation Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Tools, Shop and Garage Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 17,032 | 17,032 | 1,401 | 1,401 |
| Power Operated Equipment | N\A | 0 | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | N\A | 0 | N\A | N\A | 82,094 | 82,094 | 0 | 0 | 0 | 0 |
| Total Utility Plant | N\A | $80,011 | N\A | N\A | $273,249 | $273,249 | $464,200 | $464,200 | $488,211 | $543,068 |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | N\A | $0 | N\A | N\A | $1,525 | $1,525 | $1,450 | $1,450 | $10,915 | $10,915 |
| Depreciable | N\A | 80,011 | N\A | N\A | 271,724 | 271,724 | 462,750 | 462,750 | 477,296 | 532,153 |
| Total Utility Plant | N\A | $80,011 | N\A | N\A | $273,249 | $273,249 | $464,200 | $464,200 | $488,211 | $543,068 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | ISLAND LAKE WATER CO. (26) | | KALA POINT UTILITY CO. (27) | | LAKELAND VILLAGE WATER CO., INC. (28) | | LARA LEE INC. (29) | | LITTLE SPOKANE RIVER WATER SYSTEM, INC. (30) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| ASSETS: | | | | | | | | | | |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | $155,415 | $155,415 | $505,254 | $544,324 | $118,172 | $120,802 | $114,345 | $190,592 | $27,538 | $27,538 |
| CONSTRUCTION WORK IN PROGRESS | 0 | 0 | 0 | 0 | 0 | 0 | 72,264 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 205 | 205 |
| TOTAL UTILITY PLANT | 155,415 | 155,415 | 505,254 | 544,324 | 118,172 | 120,802 | 186,609 | 190,592 | 27,743 | 27,743 |
| ACCUM.PROV. FOR DEPR. & AMORT. | 30,148 | 33,445 | 7,129 | 9,168 | 39,457 | 43,597 | 22,931 | 31,399 | 3,991 | 3,991 |
| NET UTILITY PLANT | 125,267 | 121,970 | 498,125 | 535,156 | 78,715 | 77,205 | 163,678 | 159,193 | 23,752 | 23,752 |
| CASH | 2,996 | 10,414 | 484 | 71 | 7,291 | 5,072 | 51 | (1,214) | 534 | 534 |
| CUSTOMER ACCOUNTS RECEIVABLE | 0 | 0 | (4) | 1,820 | 0 | 0 | 0 | 0 | 2,652 | 2,652 |
| OTHER ASSETS | 0 | 0 | 0 | 0 | 21,300 | 28,613 | 114,158 | 110,651 | 0 | 0 |
| TOTAL ASSETS | $128,263 | $132,384 | $498,605 | $537,047 | $107,306 | $110,890 | $277,887 | $268,630 | $26,938 | $26,938 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $0 | $0 | $100 | $100 | $500 | $500 | $500 | $500 | $660 | $660 |
| PREFERRED STOCK ISSUED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER PAID IN CAPITAL | 0 | 0 | 0 | 60,000 | 58,942 | 58,942 | 123,099 | 128,208 | 376 | 376 |
| RETAINED EARNINGS: | | | | | | | | | 0 | 0 |
| APPROPRIATED | 0 | 0 | (67,744) | (68,488) | 0 | 0 | 0 | 0 | 0 | 0 |
| UNAPPROPRIATED | 0 | 0 | 0 | 0 | 9,742 | (10,529) | 4,637 | (376) | 7,121 | 7,121 |
| PROPRIETARY CAPITAL | 45,428 | 42,569 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CAPITAL | 45,428 | 42,569 | (67,644) | (8,388) | 69,184 | 48,913 | 128,236 | 128,332 | 8,157 | 8,157 |
| LONG-TERM DEBT | 63,526 | 70,306 | 0 | 31,280 | 13,272 | 11,352 | 96,331 | 87,003 | 0 | 0 |
| ACCOUNTS PAYABLE | 0 | 0 | 2,766 | 400 | 21,600 | 43,800 | 0 | 0 | 15,185 | 15,185 |
| NOTES PAYABLE | 0 | 0 | 60,000 | 6,308 | 0 | 0 | 0 | 0 | 621 | 621 |
| CUSTOMER DEPOSITS | 769 | 769 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ACCRUED TAXES | 0 | 0 | 1,340 | 1,505 | 0 | 0 | 25 | 0 | 0 | 0 |
| OTHER LIABILITIES | 0 | 0 | 3,991 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ADVANCES FOR CONSTRUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | 18,540 | 18,740 | 498,152 | 505,942 | 3,250 | 6,825 | 53,295 | 53,295 | 2,975 | 2,975 |
| TOTAL LIABILITIES | 82,835 | 89,815 | 566,249 | 545,435 | 38,122 | 61,977 | 149,651 | 140,298 | 18,781 | 18,781 |
| TOTAL LIABILITIES AND CAPITAL | $128,263 | $132,384 | $498,605 | $537,047 | $107,306 | $110,890 | $277,887 | $268,630 | $26,938 | $26,938 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | 19.40% | 21.52% | 1.41% | 1.68% | 33.39% | 36.09% | 20.05% | 16.47% | 14.49% | 14.49% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 58.31% | 62.29% | 0.00% | 136.64% | 16.10% | 18.84% | 42.90% | 40.40% | 0.00% | 0.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | ISLAND LAKE WATER CO. (26) | | KALA POINT UTILITY CO. (27) | | LAKELAND VILLAGE WATER CO., INC. (28) | | LARA LEE INC. (29) | | LITTLE SPOKANE RIVER WATER SYSTEM, INC. (30) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | $30,586 | $32,945 | $30,402 | $51,998 | $22,127 | $24,754 | $24,522 | $19,688 | $12,592 | $3,137 |
| COMMERCIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INDUSTRIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MULTIPLE FAMILY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,000 | (110) | 739 |
| TOTAL OPERATING REVENUE | 30,586 | 32,945 | 30,402 | 51,998 | 22,127 | 24,754 | 24,522 | 23,688 | 12,482 | 3,876 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 1,328 | 2,192 | 27,060 | 27,060 | 0 | 0 | 3,313 | 807 | 0 | 0 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | 0 | 2,750 | 0 | 0 | 0 | 0 | 9,000 | 250 | 0 | 0 |
| EMPLOYEE PENSION & BENEFITS | 0 | 0 | 887 | 872 | 0 | 0 | 0 | 0 | 0 | 0 |
| PURCHASED WATER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 500 | 0 |
| PURCHASED POWER | 1,892 | 2,279 | 4,766 | 5,367 | 0 | 0 | 1,056 | 2,075 | 889 | 644 |
| FUEL FOR POWER PRODUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHEMICALS | 0 | 0 | 1,749 | 2,315 | 0 | 0 | 0 | 0 | 0 | 0 |
| MATERIALS & SUPPLIES | 789 | 231 | 1,220 | 3,374 | 0 | 3,905 | 120 | 1,193 | 108 | 4 |
| CONTRACTUAL SERVICES | 727 | 2,162 | 0 | 2,400 | 9,600 | 10,200 | 1,863 | 1,150 | 0 | 0 |
| RENTS | 0 | 0 | 1,800 | 1,800 | 12,000 | 12,000 | 0 | 100 | 0 | 438 |
| TRANSPORTATION EXPENSE | 0 | 0 | 1,604 | 1,781 | 0 | 0 | 280 | 432 | 0 | 0 |
| INSURANCE EXPENSE | 490 | 0 | 3,809 | 3,647 | 0 | 0 | 0 | 270 | 765 | 0 |
| REGULATORY COMMISSION EXPENSES | 0 | 31 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 |
| BAD DEBT EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS EXPENSES | 839 | 1,028 | 3,004 | 1,465 | 914 | 1,601 | 950 | 10,404 | 377 | 1,132 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 6,064 | 10,673 | 45,899 | 50,081 | 22,514 | 27,706 | 16,582 | 16,681 | 2,639 | 2,230 |
| DEPRECIATION & AMORTIZATION EXPENSE | 3,297 | 3,297 | 2,039 | 2,039 | 7,553 | 4,140 | 6,199 | 8,468 | 853 | 107 |
| TAXES OTHER THAN INCOME | 2,539 | 985 | 4,420 | 5,468 | 1,598 | 2,929 | 153 | 1,067 | 2,974 | 217 |
| INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING EXPENSES | 11,900 | 14,955 | 52,358 | 57,588 | 31,665 | 34,775 | 22,934 | 26,216 | 6,466 | 2,554 |
| NET OPERATING INCOME(LOSS) | $18,686 | $17,990 | ($21,956) | ($5,590) | ($9,538) | ($10,021) | $1,588 | ($2,528) | $6,016 | $1,322 |
| OTHER INCOME | 0 | 270 | 18,255 | 9,251 | 0 | 0 | 10,180 | 12,856 | 53 | 0 |
| OTHER DEDUCTIONS | 8,538 | 10,566 | 7,777 | 4,405 | 10,688 | 10,250 | 8,599 | 15,341 | 6,821 | 0 |
| NET INCOME(LOSS) | $10,148 | $7,694 | ($11,478) | ($744) | ($20,226) | ($20,271) | $3,169 | ($5,013) | ($752) | $1,322 |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 19.83% | 32.40% | 150.97% | 96.31% | 101.75% | 111.93% | 67.62% | 70.42% | 21.14% | 57.53% |
| DEPRECIATION & AMORTIZATION EXPENSES | 10.78% | 10.01% | 6.71% | 3.92% | 34.13% | 16.72% | 25.28% | 35.75% | 6.83% | 2.76% |
| TAXES OTHER THAN INCOME | 8.30% | 2.99% | 14.54% | 10.52% | 7.22% | 11.83% | 0.62% | 4.50% | 23.83% | 5.60% |
| INCOME TAXES | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| TOTAL DEDUCTIONS | 38.91% | 45.39% | 172.22% | 110.75% | 143.11% | 140.48% | 93.52% | 110.67% | 51.80% | 65.89% |
| NET OPERATING INCOME (LOSS) | 61.09% | 54.61% | -72.22% | -10.75% | -43.11% | -40.48% | 6.48% | -10.67% | 48.20% | 34.11% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | ISLAND LAKE WATER CO. (26) | | KALA POINT UTILITY CO. (27) | | LAKELAND VILLAGE WATER CO., INC. (28) | | LARA LEE INC. (29) | | LITTLE SPOKANE RIVER WATER SYSTEM, INC. (30) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **CUSTOMERS:** | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 166 | 167 | 207 | 211 | 202 | 214 | 82 | 80 | 31 | 31 |
| COMMERCIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CUSTOMERS | 167 | 168 | 207 | 211 | 202 | 214 | 82 | 80 | 31 | 31 |
| **OTHER STATISTICS:** | | | | | | | | | | |
| NO. OF WELLS | 2 | 2 | 4 | 4 | 4 | 4 | 8 | 8 | 2 | 2 |
| CAPACITY OF PUMPS -- (GPM) | 135 | 135 | 405 | 405 | 845 | 845 | 223 | 223 | 100 | 100 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | 126,800 | 126,800 | 200,000 | 204,500 | 160,000 | 160,000 | 103,244 | 103,244 | 53,000 | 53,000 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | 101.63 | N\A | N\A | N\A | 683.41 | N\A | N/A | N\A | N/A |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | $1.94 | N\A | N\A | N\A | $0.17 | N\A | N/A | N\A | N/A |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | $16.44 | N\A | $20.54 | N\A | $9.64 | N\A | $20.51 | N\A | $22.49 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | $614.46 | N\A | $138.45 | N\A | $328.88 | N\A | $1,323.73 | N\A | $670.23 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | ISLAND LAKE WATER CO. (26) | | KALA POINT UTILITY CO. (27) | | LAKELAND VILLAGE WATER CO., INC. (28) | | LARA LEE INC. (29) | | LITTLE SPOKANE RIVER WATER SYSTEM, INC. (30) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACCUMULATED DEPRECIATION<br>Account Description | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Structures & Improvements | $1,229 | $1,370 | $0 | $0 | $2,544 | $2,766 | $712 | $1,059 | $0 | $0 |
| Collecting & Impounding Reservoirs | 0 | 0 | 14 | 21 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River & Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Well & Springs | 4,288 | 4,961 | 769 | 1,000 | 6,753 | 7,592 | 2,329 | 2,818 | 724 | 724 |
| Supply Mains | 2,384 | 2,534 | 0 | 0 | 0 | 0 | 1,245 | 1,832 | 0 | 0 |
| Power Generating Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | 3,289 | 3,560 | 4,754 | 5,868 | 14,596 | 15,916 | 528 | 2,134 | 1,508 | 1,508 |
| Water Treatment Equipment | 0 | 0 | 1,124 | 1,686 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution Reservoirs & Standpipes | 13,855 | 15,442 | 0 | 0 | 0 | 0 | 1,514 | 1,990 | 0 | 0 |
| Trans. & Dist. Mains | 3,060 | 3,253 | 0 | 0 | 4,115 | 4,609 | 256 | 308 | 1,671 | 1,671 |
| Services | 2,028 | 2,295 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meter & Meter Installations | 15 | 30 | 57 | 105 | 34 | 97 | 0 | 0 | 88 | 88 |
| Hydrants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Plant and Misc.Equipment | 0 | 0 | 0 | 0 | 11,415 | 12,617 | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 3,349 | 4,901 | 0 | 0 |
| Transportation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 12,758 | 16,037 | 0 | 0 |
| Tools, Shop and Garage Equipment | 0 | 0 | 411 | 488 | 0 | 0 | 240 | 320 | 0 | 0 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Accumulated Depreciation | $30,148 | $33,445 | $7,129 | $9,168 | $39,457 | $43,597 | $22,931 | $31,399 | $3,991 | $3,991 |
| CURRENT RATES & SERVICE LIVES<br>Account Description | LIFE / RATE | | LIFE / RATE | | LIFE / RATE | | LIFE / RATE | | LIFE / RATE | |
| Structures & Improvements | 35 | 2.50% | 0 | 0.00% | 35 | 2.86% | 35 | 2.86% | 0 | 0.00% |
| Collecting & Impounding Reservoirs | 0 | 0.00% | 60 | 1.70% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Lake River & Other Intakes | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Well & Springs | 25 | 2.90% | 20 | 5.00% | 25 | 4.00% | 25 | 4.00% | 35 | 2.86% |
| Supply Mains | 50 | 1.30% | 0 | 0.00% | 0 | 0.00% | 40 | 2.50% | 0 | 0.00% |
| Power Generating Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Pumping Equipment | 20 | 5.00% | 24 | 4.20% | 20 | 5.00% | 20 | 5.00% | 20 | 5.00% |
| Water Treatment Equipment | 0 | 0.00% | 5 | 20.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Distribution Reservoirs & Standpipes | 30 | 2.50% | 0 | 0.00% | 0 | 0.00% | 50 | 2.00% | 0 | 0.00% |
| Trans. & Dist. Mains | 50 | 1.30% | 0 | 0.00% | 50 | 2.00% | 50 | 2.00% | 50 | 2.00% |
| Services | 30 | 2.50% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Meter & Meter Installations | 40 | 2.00% | 50 | 2.00% | 35 | 2.86% | 0 | 0.00% | 35 | 2.86% |
| Hydrants | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other Plant and Misc.Equipment | 0 | 0.00% | 0 | 0.00% | 30 | 3.33% | 0 | 0.00% | 0 | 0.00% |
| Office Furniture and Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 10 | 10.00% | 0 | 0.00% |
| Transportation Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 5 | 20.00% | 0 | 0.00% |
| Tools, Shop and Garage Equipment | 0 | 0.00% | 20 | 5.00% | 0 | 0.00% | 5 | 20.00% | 0 | 0.00% |
| Power Operated Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other Tangible Plant | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| Account Description | ISLAND LAKE WATER CO. (26) | | KALA POINT UTILITY CO. (27) | | LAKELAND VILLAGE WATER CO., INC. (28) | | LARA LEE INC. (29) | | LITTLE SPOKANE RIVER WATER SYSTEM, INC. (30) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Organization | $117 | $117 | $100 | $100 | $0 | $0 | $225 | $225 | $0 | $0 |
| Franchises | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land and Land Rights | 4,360 | 4,360 | 0 | 31,280 | 0 | 0 | 0 | 0 | 1,000 | 1,000 |
| Structures and Improvements | 5,630 | 5,630 | 8,126 | 8,126 | 7,520 | 8,000 | 7,867 | 16,578 | 0 | 0 |
| Collecting and Impounding Reservoirs | 0 | 0 | 66,924 | 66,924 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lake River and Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wells and Springs | 26,307 | 26,307 | 61,685 | 61,685 | 20,962 | 22,097 | 13,396 | 17,744 | 8,040 | 8,040 |
| Supply Mains | 11,551 | 11,551 | 0 | 0 | 0 | 0 | 9,315 | 24,881 | 0 | 0 |
| Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | 17,686 | 17,686 | 81,802 | 81,802 | 28,400 | 28,400 | 17,987 | 43,185 | 7,521 | 7,521 |
| Water Treatment Equipment | 0 | 0 | 28,919 | 28,919 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution Reservoirs and Standpipes | 63,468 | 63,468 | 0 | 0 | 0 | 0 | 21,548 | 28,973 | 0 | 0 |
| Transmission and Distribution Mains | 14,835 | 14,835 | 164,732 | 169,732 | 24,708 | 24,708 | 8,921 | 8,921 | 9,000 | 9,000 |
| Services | 10,693 | 10,693 | 43,318 | 44,758 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meters and Meter Installations | 769 | 769 | 2,490 | 2,490 | 1,199 | 2,214 | 0 | 0 | 2,182 | 2,182 |
| Hydrants | 0 | 0 | 45,618 | 46,968 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 35,383 | 35,383 | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 15,519 | 15,519 | 0 | 0 |
| Transportation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 19,167 | 19,167 | 0 | 0 |
| Tools, Shop and Garage Equipment | 0 | 0 | 1,540 | 1,540 | 0 | 0 | 400 | 400 | 0 | 0 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 72,264 | 14,999 | 0 | 0 |
| Total Utility Plant | $155,415 | $155,415 | $505,254 | $544,324 | $118,172 | $120,802 | $186,609 | $190,592 | $27,743 | $27,743 |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | $4,477 | $4,477 | $100 | $31,380 | $0 | $0 | $225 | $225 | $1,000 | $1,000 |
| Depreciable | 150,938 | 150,938 | 505,154 | 512,944 | 118,172 | 120,802 | 186,384 | 190,367 | 26,743 | 26,743 |
| Total Utility Plant | $155,415 | $155,415 | $505,254 | $544,324 | $118,172 | $120,802 | $186,609 | $190,592 | $27,743 | $27,743 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | LUDLOW UTILITIES COMPANY (31) | | MARVIN ROAD WATER COMPANY (32) | | MEADOWS WATER COMPANY, INC. (33) | | MIRRORMONT SERVICES INC. (34) | | NORTH BAINBRIDGE WATER CO. (35) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| ASSETS: | | | | | | | | | | |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | $1,435,933 | $1,311,308 | $105,170 | N\A | N\A | N\A | $591,885 | $618,273 | $579,540 | $664,469 |
| CONSTRUCTION WORK IN PROGRESS | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 67,191 | 4,052 | 0 |
| OTHER | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| TOTAL UTILITY PLANT | 1,435,933 | 1,311,308 | 105,170 | N\A | N\A | N\A | 591,885 | 685,464 | 583,592 | 664,469 |
| ACCUM.PROV. FOR DEPR. & AMORT. | 262,039 | 592,490 | 33,823 | N\A | N\A | N\A | 231,163 | 243,908 | 267,196 | 292,782 |
| NET UTILITY PLANT | 1,173,894 | 718,818 | 71,347 | N\A | N\A | N\A | 360,722 | 441,556 | 316,396 | 371,687 |
| CASH | 2,011 | 695 | 2,397 | N\A | N\A | N\A | 2,576 | 38,844 | 18,273 | 30,243 |
| CUSTOMER ACCOUNTS RECEIVABLE | 30,236 | 37,417 | 0 | N\A | N\A | N\A | 10,243 | 11,867 | 2,421 | 2,987 |
| OTHER ASSETS | 948,874 | 1,031,670 | 0 | N\A | N\A | N\A | 18,510 | 18,510 | 1,186 | 1,186 |
| TOTAL ASSETS | $2,155,015 | $1,788,600 | $73,744 | N\A | N\A | N\A | $392,052 | $510,777 | $338,276 | $406,103 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $500 | $500 | $0 | N\A | N\A | N\A | $98,500 | $98,500 | $0 | $0 |
| PREFERRED STOCK ISSUED | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| OTHER PAID IN CAPITAL | 2,537,088 | 2,279,811 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| RETAINED EARNINGS: | | | | N\A | N\A | N\A | | | | |
| APPROPRIATED | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| UNAPPROPRIATED | (577,320) | (648,920) | 0 | N\A | N\A | N\A | (44,435) | (40,957) | 0 | 0 |
| PROPRIETARY CAPITAL | 0 | 0 | 18,858 | N\A | N\A | N\A | 0 | 0 | 212,369 | 250,594 |
| TOTAL CAPITAL | 1,960,269 | 1,631,391 | 18,858 | N\A | N\A | N\A | 54,065 | 57,543 | 212,369 | 250,594 |
| LONG-TERM DEBT | 0 | 0 | 0 | N\A | N\A | N\A | 123,223 | 212,491 | 0 | 0 |
| ACCOUNTS PAYABLE | 11,431 | 5,288 | 690 | N\A | N\A | N\A | 1,533 | 19,609 | 0 | 18,767 |
| NOTES PAYABLE | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| CUSTOMER DEPOSITS | 0 | 0 | 182 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| ACCRUED TAXES | 1,092 | 3,176 | 6,601 | N\A | N\A | N\A | 2,258 | 2,936 | 3,315 | 3,395 |
| OTHER LIABILITIES | 107,525 | 85,421 | 26,342 | N\A | N\A | N\A | 6,335 | 3,957 | 0 | 2,500 |
| ADVANCES FOR CONSTRUCTION | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | 74,699 | 63,324 | 21,071 | N\A | N\A | N\A | 204,637 | 214,241 | 122,592 | 130,847 |
| TOTAL LIABILITIES | 194,747 | 157,209 | 54,886 | N\A | N\A | N\A | 337,987 | 453,234 | 125,907 | 155,509 |
| TOTAL LIABILITIES AND CAPITAL | $2,155,015 | $1,788,600 | $73,744 | N\A | N\A | N\A | $392,052 | $510,777 | $338,276 | $406,103 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | 13.25% | 45.18% | 32.16% | N\A | N\A | N\A | 39.06% | 39.45% | 46.10% | 44.06% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 0.00% | 0.00% | 0.00% | N\A | N\A | N\A | 69.50% | 78.69% | 0.00% | 0.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | LUDLOW UTILITIES COMPANY (31) | | MARVIN ROAD WATER COMPANY (32) | | MEADOWS WATER COMPANY, INC. (33) | | MIRRORMONT SERVICES INC. (34) | | NORTH BAINBRIDGE WATER CO. (35) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | $77,368 | $84,438 | $20,747 | N\A | N\A | N\A | $101,750 | $123,098 | $140,702 | $148,147 |
| COMMERCIAL | 13,504 | 16,500 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| INDUSTRIAL | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| MULTIPLE FAMILY | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 1,557 | 1,557 |
| TOTAL OPERATING REVENUE | 90,872 | 100,938 | 20,747 | N\A | N\A | N\A | 101,750 | 123,098 | 142,259 | 149,704 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 42,034 | 43,730 | 0 | N\A | N\A | N\A | 7,419 | 16,779 | 22,679 | 24,051 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | 0 | 0 | 0 | N\A | N\A | N\A | 38,266 | 30,000 | 30,000 | 30,000 |
| EMPLOYEE PENSION & BENEFITS | 4,567 | 4,373 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| PURCHASED WATER | 0 | 0 | 3,098 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| PURCHASED POWER | 0 | 10,534 | 0 | N\A | N\A | N\A | 8,212 | 9,327 | 12,086 | 12,987 |
| FUEL FOR POWER PRODUCTION | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| CHEMICALS | 605 | 548 | 0 | N\A | N\A | N\A | 0 | 0 | 389 | 6,873 |
| MATERIALS & SUPPLIES | 5,091 | 0 | 541 | N\A | N\A | N\A | 8,956 | 2,039 | 8,675 | 11,039 |
| CONTRACTUAL SERVICES | 0 | 0 | 11,837 | N\A | N\A | N\A | 1,420 | 16,210 | 2,400 | 3,963 |
| RENTS | 2,158 | 0 | 0 | N\A | N\A | N\A | 243 | 0 | 3,989 | 3,689 |
| TRANSPORTATION EXPENSE | 3,783 | 1,360 | 417 | N\A | N\A | N\A | 0 | 467 | 3,258 | 2,903 |
| INSURANCE EXPENSE | 0 | 8,563 | 0 | N\A | N\A | N\A | 1,428 | 1,115 | 4,685 | 4,189 |
| REGULATORY COMMISSION EXPENSES | 0 | 0 | 0 | N\A | N\A | N\A | 103 | 0 | 0 | 305 |
| BAD DEBT EXPENSE | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 718 | 550 |
| MISCELLANEOUS EXPENSES | 17,010 | 14,453 | 272 | N\A | N\A | N\A | 834 | 3,61( | 1,333 | 1,704 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 75,248 | 83,561 | 16,165 | N\A | N\A | N\A | 66,880 | 79,554 | 90,212 | 102,253 |
| DEPRECIATION & AMORTIZATION EXPENSE | 29,487 | 30,754 | 2,279 | N\A | N\A | N\A | 10,698 | 6,341 | 19,083 | 22,241 |
| TAXES OTHER THAN INCOME | 15,422 | 18,378 | 819 | N\A | N\A | N\A | 10,774 | 15,602 | 17,690 | 18,949 |
| INCOME TAXES | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| TOTAL OPERATING EXPENSES | 120,157 | 132,693 | 19,263 | N\A | N\A | N\A | 88,352 | 101,497 | 126,985 | 143,443 |
| NET OPERATING INCOME(LOSS) | ($29,285) | ($31,755) | $1,484 | N\A | N\A | N\A | $13,397 | $21,601 | $15,274 | $6,261 |
| OTHER INCOME | 70,793 | 141,551 | 0 | N\A | N\A | N\A | 0 | 0 | 777 | 982 |
| OTHER DEDUCTIONS | 148,569 | 181,396 | 2,260 | N\A | N\A | N\A | 17,941 | 18,123 | 1,828 | 1,018 |
| NET INCOME(LOSS) | ($107,062) | ($71,600) | ($776) | N\A | N\A | N\A | ($4,544) | $3,478 | $14,223 | $6,225 |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 82.81% | 82.78% | 77.91% | N\A | N\A | N\A | 65.73% | 64.63% | 63.41% | 68.30% |
| DEPRECIATION & AMORTIZATION EXPENSES | 32.45% | 30.47% | 10.98% | N\A | N\A | N\A | 10.51% | 5.15% | 13.41% | 14.86% |
| TAXES OTHER THAN INCOME | 16.97% | 18.21% | 3.95% | N\A | N\A | N\A | 10.59% | 12.67% | 12.44% | 12.66% |
| INCOME TAXES | 0.00% | 0.00% | 0.00% | N\A | N\A | N\A | 0.00% | 0.00% | 0.00% | 0.00% |
| TOTAL DEDUCTIONS | 132.23% | 131.46% | 92.85% | N\A | N\A | N\A | 86.83% | 82.45% | 89.26% | 95.82% |
| NET OPERATING INCOME (LOSS) | -32.23% | -31.46% | 7.15% | N\A | N\A | N\A | 13.17% | 17.55% | 10.74% | 4.18% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | LUDLOW UTILITIES COMPANY (31) | | MARVIN ROAD WATER COMPANY (32) | | MEADOWS WATER COMPANY, INC. (33) | | MIRRORMONT SERVICES INC. (34) | | NORTH BAINBRIDGE WATER CO. (35) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **CUSTOMERS:** | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 455 | 464 | N\A | N\A | N\A | N\A | 608 | 622 | 897 | 917 |
| COMMERCIAL-ANNUAL AVERAGE | 32 | 32 | N\A | N\A | N\A | N\A | 0 | 0 | 2 | 2 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | 0 | 0 | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| TOTAL CUSTOMERS | 487 | 496 | N\A | N\A | N\A | N\A | 608 | 622 | 899 | 919 |
| **OTHER STATISTICS:** | | | | | | | | | | |
| NO. OF WELLS | 4 | 4 | N\A | N\A | N\A | N\A | 5 | 5 | 8 | 8 |
| CAPACITY OF PUMPS - (GPM) | 460 | 460 | N\A | N\A | N\A | N\A | 600 | 600 | 745 | 740 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | 675,000 | 675,000 | N\A | N\A | N\A | N\A | 330,450 | 330,450 | 480,000 | 480,000 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | 84.56 | N\A | N\A | N\A | N\A | N\A | 95.31 | N\A | 89.75 |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | $2.15 | N\A | N\A | N\A | N\A | N\A | $2.08 | N\A | $1.80 |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | $15.16 | N\A | N\A | N\A | N\A | N\A | $16.49 | N\A | $13.46 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | $1,338.07 | N\A | N\A | N\A | N\A | N\A | $365.46 | N\A | $262.07 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | LUDLOW UTILITIES COMPANY (31) | | MARVIN ROAD WATER COMPANY (32) | | MEADOWS WATER COMPANY, INC. (33) | | MIRRORMONT SERVICES INC. (34) | | NORTH BAINBRIDGE WATER CO. (35) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACCUMULATED DEPRECIATION | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Account Description | | | | | | | | | | |
| Structures & Improvements | $8,440 | $14,411 | $929 | N\A | N\A | N\A | $0 | $0 | $48,951 | $52,282 |
| Collecting & Impounding Reservoirs | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Lake River & Other Intakes | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Well & Springs | 38,357 | 74,709 | 0 | N\A | N\A | N\A | 20,770 | 23,175 | 2,084 | 4,647 |
| Supply Mains | 0 | 0 | 4,510 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Power Generating Equipment | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Pumping Equipment | 8 | 48 | 3,941 | N\A | N\A | N\A | 7,798 | 8,413 | 23,526 | 27,077 |
| Water Treatment Equipment | 0 | 0 | 162 | N\A | N\A | N\A | 0 | 0 | 22 | 330 |
| Distribution Reservoirs & Standpipes | 44,867 | 79,234 | 0 | N\A | N\A | N\A | 35,532 | 36,913 | 13 | 1,304 |
| Trans. & Dist. Mains | 165,182 | 404,004 | 24,281 | N\A | N\A | N\A | 145,630 | 151,670 | 133,398 | 141,467 |
| Services | 0 | 0 | 0 | N\A | N\A | N\A | 7,208 | 7,963 | 18,180 | 20,334 |
| Meter & Meter Installations | 0 | 128 | 0 | N\A | N\A | N\A | 11,290 | 12,585 | 20,897 | 22,273 |
| Hydrants | 50 | 75 | 0 | N\A | N\A | N\A | 1,221 | 1,323 | 2,713 | 2,853 |
| Other Plant and Misc.Equipment | 5,114 | 10,865 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | 0 | 12 | 0 | N\A | N\A | N\A | 1,715 | 1,865 | 208 | 208 |
| Transportation Equipment | 0 | 758 | 0 | N\A | N\A | N\A | 0 | 0 | 14,156 | 16,833 |
| Tools, Shop and Garage Equipment | 21 | 48 | 0 | N\A | N\A | N\A | 0 | 0 | 2,339 | 2,465 |
| Power Operated Equipment | 0 | 7 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Other Tangible Plant | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 709 | 709 |
| Total Accumulated Depreciation | $262,039 | $584,299 | $33,823 | N\A | N\A | N\A | $231,163 | $243,908 | $267,196 | $292,782 |
| CURRENT RATES & SERVICE LIVES | | | | | | | | | | |
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Structures & Improvements | 40 | 2.50% | 30 | 3.33% | N\A | N\A | 0 | .00% | 30 | 3.33% |
| Collecting & Impounding Reservoirs | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% |
| Lake River & Other Intakes | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% |
| Well & Springs | 35 | 2.86% | 0 | 0.00% | N\A | N\A | 20 | 5.00% | 15 | 6.67% |
| Supply Mains | 0 | 0.00% | 16 | 5.63% | N\A | N\A | 0 | 0.00% | 0 | 0.00% |
| Power Generating Equipment | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% |
| Pumping Equipment | 20 | 5.00% | 12 | 7.50% | N\A | N\A | 20 | 5.00% | 10 | 10.00% |
| Water Treatment Equipment | 0 | 0.00% | 10 | 10.00% | N\A | N\A | 0 | 0.00% | 20 | 5.00% |
| Distribution Reservoirs & Standpipes | 50 | 2.00% | 0 | 0.00% | N\A | N\A | 40 | 2.50% | 30 | 3.33% |
| Trans. & Dist. Mains | 45 | 2.22% | 24 | 3.75% | N\A | N\A | 40 | 2.50% | 30 | 3.33% |
| Services | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 40 | 2.50% | 30 | 3.33% |
| Meter & Meter Installations | 45 | 2.22% | 0 | 0.00% | N\A | N\A | 40 | 2.50% | 30 | 3.33% |
| Hydrants | 50 | 2.00% | 0 | 0.00% | N\A | N\A | 40 | 2.50% | 20 | 5.00% |
| Other Plant and Misc.Equipment | 40 | 2.50% | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% |
| Office Furniture and Equipment | 20 | 5.00% | 0 | 0.00% | N\A | N\A | 10 | 10.00% | 10 | 10.00% |
| Transportation Equipment | 10 | 10.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 5 | 20.00% |
| Tools, Shop and Garage Equipment | 20 | 5.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 10 | 10.00% |
| Power Operated Equipment | 20 | 5.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 0 | 0.00% |
| Other Tangible Plant | 0 | 0.00% | 0 | 0.00% | N\A | N\A | 0 | 0.00% | 20 | 5.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | LUDLOW UTILITIES COMPANY (31) | | MARVIN ROAD WATER COMPANY (32) | | MEADOWS WATER COMPANY, INC. (33) | | MIRRORMONT SERVICES INC. (34) | | NORTH BAINBRIDGE WATER CO. (35) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| UTILITY PLANT | | | | | | | | | | |
| Account Description | | | | | | | | | | |
| Organization | $0 | $0 | $0 | N\A | N\A | N\A | $0 | $0 | $10,747 | $10,747 |
| Franchises | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Land and Land Rights | 0 | 0 | 6,200 | N\A | N\A | N\A | 28,353 | 28,353 | 2,471 | 2,471 |
| Structures and Improvements | 213,760 | 69,760 | 1,500 | N\A | N\A | N\A | 0 | 0 | 102,303 | 102,303 |
| Collecting and Impounding Reservoirs | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Lake River and Other Intakes | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Wells and Springs | 219,624 | 222,124 | 0 | N\A | N\A | N\A | 51,299 | 52,967 | 26,873 | 39,321 |
| Supply Mains | 0 | 0 | 22,712 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Power Generation Equipment | 0 | 0 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Pumping Equipment | 2,165 | 2,165 | 6,586 | N\A | N\A | N\A | 15,112 | 18,615 | 47,178 | 47,178 |
| Water Treatment Equipment | 0 | 0 | 1,626 | N\A | N\A | N\A | 0 | 0 | 5,346 | 6,247 |
| Distribution Reservoirs and Standpipes | 293,918 | 294,818 | 0 | N\A | N\A | N\A | 75,616 | 81,767 | 4,776 | 45,532 |
| Transmission and Distribution Mains | 671,842 | 671,842 | 66,549 | N\A | N\A | N\A | 337,445 | 342,540 | 254,182 | 273,821 |
| Services | 0 | 0 | 0 | N\A | N\A | N\A | 30,200 | 32,170 | 61,134 | 71,906 |
| Meters and Meter Installations | 4,740 | 6,915 | 0 | N\A | N\A | N\A | 47,301 | 54,401 | 30,347 | 30,760 |
| Hydrants | 1,500 | 1,500 | 0 | N\A | N\A | N\A | 3,640 | 4,540 | 7,338 | 7,338 |
| Other Plant and Misc. Equipment | 27,742 | 27,742 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Office Furniture and Equipment | 0 | 400 | 0 | N\A | N\A | N\A | 2,920 | 2,920 | 208 | 208 |
| Transportation Equipment | 0 | 13,000 | 0 | N\A | N\A | N\A | 0 | 0 | 21,974 | 21,974 |
| Tools, Shop and Garage Equipment | 642 | 642 | 0 | N\A | N\A | N\A | 0 | 0 | 3,954 | 3,954 |
| Power Operated Equipment | 0 | 400 | 0 | N\A | N\A | N\A | 0 | 0 | 0 | 0 |
| Other Tangible Plant | 0 | 0 | (1) | N\A | N\A | N\A | 0 | 0 | 709 | 709 |
| Total Utility Plant | $1,435,933 | $1,311,308 | $105,170 | N\A | N\A | N\A | $591,885 | $618,273 | $579,540 | $664,469 |
| UTILITY PLANT | | | | | | | | | | |
| Non-Depreciable | $0 | $0 | $6,200 | N\A | N\A | N\A | $28,353 | $28,353 | $13,218 | $13,218 |
| Depreciable | 1,435,933 | 1,311,308 | 98,970 | N\A | N\A | N\A | 563,532 | 589,920 | 566,322 | 651,251 |
| Total Utility Plant | $1,435,933 | $1,311,308 | $105,170 | N\A | N\A | N\A | $591,885 | $618,273 | $579,540 | $664,469 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | NORTH WOODLAND WATER SYS.,INC. (36) | | NORTHWEST WATER SYSTEMS, INC. (37) | | THE OAK PARK WATER COMPANY,INC. (38) | | PACIFIC BEACH WATER,INC. (39) | | PATTISON WATER COMPANY (40) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| ASSETS: | | | | | | | | | | |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | $56,145 | $56,145 | $228,855 | $228,855 | $66,049 | $68,149 | $263,641 | N\A | $573,370 | $696,817 |
| CONSTRUCTION WORK IN PROGRESS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL UTILITY PLANT | 56,145 | 56,145 | 228,855 | 228,855 | 66,049 | 68,149 | 263,641 | N\A | 573,370 | 696,817 |
| ACCUM.PROV. FOR DEPR. & AMORT. | 34,949 | 36,466 | 40,745 | 47,580 | 32,828 | 35,682 | 124,959 | N\A | 114,443 | 118,976 |
| NET UTILITY PLANT | 21,196 | 19,679 | 188,110 | 181,275 | 33,221 | 32,467 | 138,682 | N\A | 458,927 | 577,841 |
| CASH | 1,413 | 5,123 | 1,565 | 1,565 | 21,689 | 9,319 | 1,173 | N\A | 21,469 | 54,670 |
| CUSTOMER ACCOUNTS RECEIVABLE | 0 | 0 | 0 | 0 | 0 | 0 | 1,790 | N\A | 0 | 0 |
| OTHER ASSETS | 8,608 | 8,408 | (155,627) | (153,494) | 5,010 | 20,010 | 34,563 | N\A | 0 | 6,243 |
| TOTAL ASSETS | $31,217 | $33,210 | $34,048 | $29,346 | $59,920 | $61,796 | $176,208 | N\A | $480,396 | $638,754 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $13,642 | $13,642 | $1,000 | $1,000 | $40,000 | $40,000 | $10,076 | N\A | $47,300 | $47,300 |
| PREFERRED STOCK ISSUED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHER PAID IN CAPITAL | 0 | 0 | 290 | 290 | 484 | 484 | 0 | N\A | 204,927 | 204,927 |
| RETAINED EARNINGS: | | | | | | | | N\A | | |
| APPROPRIATED | 12,081 | 17,928 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| UNAPPROPRIATED | 0 | 0 | 3,878 | (824) | 5,833 | 4,967 | (36,371) | N\A | (48,913) | (47,716) |
| PROPRIETARY CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL CAPITAL | 25,723 | 31,570 | 5,168 | 466 | 46,317 | 45,451 | (26,295) | N\A | 203,314 | 204,511 |
| LONG-TERM DEBT | 0 | 0 | 0 | 0 | 0 | 0 | 54,821 | N\A | 18,849 | 0 |
| ACCOUNTS PAYABLE | 0 | 0 | 0 | 0 | 0 | 0 | 39,526 | N\A | 66,354 | 125,753 |
| NOTES PAYABLE | 4,094 | 240 | 28,880 | 28,880 | 0 | 0 | 27,616 | N\A | 0 | 0 |
| CUSTOMER DEPOSITS | 0 | 0 | 0 | 0 | 0 | 0 | 2,683 | N\A | 0 | 0 |
| ACCRUED TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 7,280 | N\A | 1,155 | 1,084 |
| OTHER LIABILITIES | 0 | 0 | 0 | 0 | 1,127 | 1,769 | 17,140 | N\A | 1,908 | 0 |
| ADVANCES FOR CONSTRUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 33,359 | N\A | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | 1,400 | 1,400 | 0 | 0 | 12,476 | 14,576 | 20,078 | N\A | 188,816 | 307,406 |
| TOTAL LIABILITIES | 5,494 | 1,640 | 28,880 | 28,880 | 13,603 | 16,345 | 202,503 | N\A | 277,082 | 434,243 |
| TOTAL LIABILITIES AND CAPITAL | $31,217 | $33,210 | $34,048 | $29,346 | $59,920 | $61,796 | $176,208 | N\A | $480,396 | $638,754 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | 62.25% | 64.95% | 17.80% | 20.79% | 49.70% | 52.36% | 47.40% | N\A | 19.96% | 17.07% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 192.18% | N\A | 8.48% | 0.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | NORTH WOODLAND WATER SYS.,INC. (36) | | NORTHWEST WATER SYSTEMS, INC. (37) | | THE OAK PARK WATER COMPANY,INC. (38) | | PACIFIC BEACH WATER,INC. (39) | | PATTISON WATER COMPANY (40) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | $21,500 | $21,447 | N\A | $27,170 | $22,353 | $24,368 | $51,201 | N\A | $53,704 | $60,072 |
| COMMERCIAL | 0 | 0 | N\A | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| INDUSTRIAL | 0 | 0 | N\A | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| MULTIPLE FAMILY | 0 | 0 | N\A | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHER | 0 | 0 | N\A | 165 | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL OPERATING REVENUE | 21,500 | 21,447 | N\A | 27,335 | 22,353 | 24,368 | 51,201 | N\A | 53,704 | 60,072 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 0 | 0 | N\A | 2,649 | 0 | 0 | 13,200 | N\A | 711 | 1,302 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | 0 | 0 | N\A | 0 | 4,931 | 6,058 | 10,000 | N\A | 19,245 | 22,500 |
| EMPLOYEE PENSION & BENEFITS | 671 | 1,227 | N\A | 2,033 | 1,270 | 884 | 0 | N\A | 0 | 0 |
| PURCHASED WATER | 0 | 0 | N\A | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| PURCHASED POWER | 1,283 | 1,349 | N\A | 3,978 | 4,443 | 4,142 | 3,921 | N\A | 5,893 | 7,147 |
| FUEL FOR POWER PRODUCTION | 0 | 0 | N\A | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| CHEMICALS | 0 | 0 | N\A | 0 | 0 | 0 | 3,149 | N\A | 281 | 0 |
| MATERIALS & SUPPLIES | 0 | 333 | N\A | 8,146 | 1,841 | 2,326 | 3,291 | N\A | 1,498 | 5,182 |
| CONTRACTUAL SERVICES | 6,000 | 6,500 | N\A | 250 | 1,110 | 1,583 | 4,636 | N\A | 8,234 | 8,268 |
| RENTS | 0 | 0 | N\A | 0 | 1,800 | 1,800 | 900 | N\A | 675 | 1,665 |
| TRANSPORTATION EXPENSE | 0 | 0 | N\A | 0 | 0 | 919 | 0 | N\A | 2,042 | 1,129 |
| INSURANCE EXPENSE | 0 | 0 | N\A | 0 | 2,223 | 2,668 | 6,973 | N\A | 1,555 | 1,300 |
| REGULATORY COMMISSION EXPENSES | 0 | 0 | N\A | 9 | 0 | 23 | 89 | N\A | 0 | 0 |
| BAD DEBT EXPENSE | 0 | 0 | N\A | 0 | 0 | 0 | 260 | N\A | 0 | 0 |
| MISCELLANEOUS EXPENSES | 2,017 | 3,017 | N\A | 1,993 | 0 | 0 | 4,321 | N\A | 665 | 518 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 9,971 | 12,426 | N\A | 19,058 | 17,618 | 20,403 | 52,739 | N\A | 40,799 | 49,011 |
| DEPRECIATION & AMORTIZATION EXPENSE | 1,517 | 1,517 | N\A | 6,835 | 3,001 | 2,854 | 4,938 | N\A | 18,039 | 12,609 |
| TAXES OTHER THAN INCOME | 1,829 | 1,657 | N\A | 0 | 2,390 | 2,850 | 8,369 | N\A | 3,952 | 4,042 |
| INCOME TAXES | 0 | 0 | N\A | 0 | 0 | 300 | 0 | N\A | 0 | 0 |
| TOTAL OPERATING EXPENSES | 13,317 | 15,600 | N\A | 25,893 | 23,009 | 26,407 | 66,045 | N\A | 62,790 | 65,662 |
| NET OPERATING INCOME(LOSS) | $8,183 | $5,847 | N\A | $1,442 | ($656) | ($2,039) | ($14,844) | N\A | ($9,086) | ($5,590) |
| OTHER INCOME | 0 | 0 | N\A | 84 | 1,228 | 1,173 | 0 | N\A | 675 | 0 |
| OTHER DEDUCTIONS | 0 | 0 | N\A | 6,228 | 0 | 0 | 7,955 | N\A | 2,665 | 1,289 |
| NET INCOME(LOSS) | $8,183 | $5,847 | N\A | ($4,702) | $572 | ($866) | ($22,799) | N\A | ($11,076) | ($6,879) |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 46.38% | 57.94% | N\A | 69.72% | 78.82% | 83.73% | 103.00% | N\A | 75.97% | 81.59% |
| DEPRECIATION & AMORTIZATION EXPENSES | 7.06% | 7.07% | N\A | 25.00% | 13.43% | 11.71% | 9.64% | N\A | 33.59% | 20.99% |
| TAXES OTHER THAN INCOME | 8.51% | 7.73% | N\A | 0.00% | 10.69% | 11.70% | 16.35% | N\A | 7.36% | 6.73% |
| INCOME TAXES | 0.00% | 0.00% | N\A | 0.00% | 0.00% | 1.23% | 0.00% | N\A | 0.00% | 0.00% |
| TOTAL DEDUCTIONS | 61.94% | 72.74% | N\A | 94.72% | 102.93% | 108.37% | 128.99% | N\A | 116.92% | 109.31% |
| NET OPERATING INCOME (LOSS) | 38.06% | 27.26% | N\A | 5.28% | -2.93% | -8.37% | -28.99% | N\A | -16.92% | -9.31% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | NORTH WOODLAND WATER SYS.,INC. (36) | | NORTHWEST WATER SYSTEMS, INC. (37) | | THE OAK PARK WATER COMPANY,INC. (38) | | PACIFIC BEACH WATER,INC. (39) | | PATTISON WATER COMPANY (40) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| CUSTOMERS: | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 110 | 110 | 153 | 155 | 112 | 116 | 356 | N\A | 287 | 306 |
| COMMERCIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL CUSTOMERS | 110 | 110 | 153 | 155 | 112 | 116 | 356 | N\A | 287 | 306 |
| OTHER STATISTICS: | | | | | | | | | | |
| NO. OF WELLS | 3 | 3 | N\A | 11 | 1 | 1 | 3 | N\A | 5 | 5 |
| CAPACITY OF PUMPS -- (GPM) | 245 | 245 | N\A | 329 | 200 | 175 | 560 | N\A | 518 | 518 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | 1,000 | 1,000 | N\A | 95,769 | 40,000 | 40,000 | 170,000 | N\A | 194,200 | 194,200 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | 98.95 | N\A | N/A | N\A | 400.86 | N\A | N\A | N\A | N\A |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | $1.97 | N\A | N/A | N\A | $0.52 | N\A | N\A | N\A | N\A |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | $16.25 | N\A | $14.61 | N\A | $17.51 | N\A | N\A | N\A | $16.36 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | $166.17 | N\A | $1,169.52 | N\A | $154.23 | N\A | N\A | N\A | $833.06 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| ACCUMULATED DEPRECIATION | NORTH WOODLAND WATER SYS., INC. (36) | | NORTHWEST WATER SYSTEMS, INC. (37) | | THE OAK PARK WATER COMPANY, INC. (38) | | PACIFIC BEACH WATER, INC. (39) | | PATTISON WATER COMPANY (40) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Structures & Improvements | $2,529 | $2,650 | $647 | $836 | $4,804 | $5,000 | $75,334 | N\A | $10,228 | $11,152 |
| Collecting & Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Lake River & Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Well & Springs | 3,311 | 3,602 | 8,090 | 9,889 | 1,542 | 1,621 | 0 | N\A | 6,822 | 7,340 |
| Supply Mains | 8,399 | 8,661 | 19,444 | 21,777 | 0 | 0 | 0 | N\A | 0 | 0 |
| Power Generating Equipment | 0 | 0 | 4,680 | 6,244 | 0 | 0 | 0 | N\A | 0 | 0 |
| Pumping Equipment | 12,062 | 12,325 | 0 | 0 | 6,357 | 6,973 | 11,976 | N\A | 5,866 | 6,471 |
| Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 7,688 | N\A | 0 | 0 |
| Distribution Reservoirs & Standpipes | 0 | 0 | 7,572 | 8,498 | 3,449 | 3,575 | 0 | N\A | 14,424 | 16,176 |
| Trans. & Dist. Mains | 0 | 0 | 0 | 0 | 13,684 | 13,963 | 26,321 | N\A | 47,416 | 54,371 |
| Services | 0 | 0 | 0 | 0 | 2,039 | 2,171 | 0 | N\A | 6,395 | 0 |
| Meter & Meter Installations | 3,065 | 3,271 | 312 | 336 | 20 | 75 | 70 | N\A | 1,481 | 0 |
| Hydrants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Other Plant and Misc.Equipment | 3,924 | 4,095 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Office Furniture and Equipment | 430 | 496 | 0 | 0 | 1,133 | 2,304 | 529 | N\A | 0 | 10 |
| Transportation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 1,346 | N\A | 21,591 | 23,396 |
| Tools, Shop and Garage Equipment | 1,229 | 1,366 | 0 | 0 | 0 | 0 | 1,695 | N\A | 20 | 60 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Total Accumulated Depreciation | $34,949 | $36,466 | $40,745 | $47,580 | $32,828 | $35,682 | $124,959 | N\A | $114,443 | $118,976 |

| CURRENT RATES & SERVICE LIVES | NORTH WOODLAND WATER SYS., INC. (36) | | NORTHWEST WATER SYSTEMS, INC. (37) | | THE OAK PARK WATER COMPANY, INC. (38) | | PACIFIC BEACH WATER, INC. (39) | | PATTISON WATER COMPANY (40) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Structures & Improvements | 35 | 2.90% | 35 | 2.86% | 40 | 2.50% | 33 | 3.00% | 20 | 5.00% |
| Collecting & Impounding Reservoirs | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Lake River & Other Intakes | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Well & Springs | 25 | 4.00% | 25 | 4.00% | 35 | 2.90% | 0 | 0.00% | 33 | 3.00% |
| Supply Mains | 50 | 2.00% | 50 | 2.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Power Generating Equipment | 0 | 2.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Pumping Equipment | 20 | 5.00% | 20 | 5.00% | 20 | 5.00% | 33 | 3.00% | 20 | 5.00% |
| Water Treatment Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 33 | 3.00% | 0 | 0.00% |
| Distribution Reservoirs & Standpipes | 0 | 0.00% | 0 | 0.00% | 50 | 2.00% | 0 | 0.00% | 33 | 3.00% |
| Trans. & Dist. Mains | 0 | 0.00% | 30 | 3.33% | 50 | 2.00% | 40 | 2.50% | 33 | 3.00% |
| Services | 0 | 0.00% | 0 | 0.00% | 50 | 2.00% | 0 | 0.00% | 33 | 3.00% |
| Meter & Meter Installations | 35 | 2.60% | 35 | 2.86% | 45 | 2.20% | 33 | 3.00% | 33 | 3.00% |
| Hydrants | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other Plant and Misc.Equipment | 25 | 4.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Office Furniture and Equipment | 20 | 4.80% | 0 | 0.00% | 5 | 20.00% | 20 | 5.00% | 6 | 15.00% |
| Transportation Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 10 | 10.00% | 6 | 15.00% |
| Tools, Shop and Garage Equipment | 15 | 6.30% | 0 | 0.00% | 0 | 0.00% | 10 | 10.00% | 6 | 15.00% |
| Power Operated Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other Tangible Plant | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | NORTH WOODLAND WATER SYS.,INC. (36) | | NORTHWEST WATER SYSTEMS, INC. (37) | | THE OAK PARK WATER COMPANY,INC. (38) | | PACIFIC BEACH WATER,INC. (39) | | PATTISON WATER COMPANY (40) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| UTILITY PLANT | | | | | | | | | | |
| Account Description | | | | | | | | | | |
| Organization | $0 | $0 | $0 | $0 | $0 | $0 | $0 | N\A | $0 | $0 |
| Franchises | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Land and Land Rights | 0 | 0 | 0 | 0 | 0 | 0 | 8,801 | N\A | 30,500 | 30,500 |
| Structures and Improvements | 4,173 | 4,173 | 6,600 | 6,600 | 7,842 | 7,842 | 138,927 | N\A | 18,632 | 19,581 |
| Collecting and Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Lake River and Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Wells and Springs | 7,262 | 7,262 | 44,982 | 44,982 | 2,733 | 2,733 | 0 | N\A | 17,286 | 17,286 |
| Supply Mains | 13,107 | 13,107 | 116,655 | 116,655 | 0 | 0 | 0 | N\A | 0 | 0 |
| Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Pumping Equipment | 14,939 | 14,939 | 31,714 | 31,714 | 12,333 | 12,333 | 11,976 | N\A | 11,419 | 15,197 |
| Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 26,535 | N\A | 0 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0 | 27,972 | 27,972 | 6,300 | 6,300 | 0 | N\A | 50,880 | 50,880 |
| Transmission and Distribution Mains | 0 | 0 | 0 | 0 | 23,951 | 23,951 | 68,683 | N\A | 231,866 | 329,981 |
| Services | 0 | 0 | 0 | 0 | 6,594 | 6,594 | 0 | N\A | 152,197 | 158,865 |
| Meters and Meter Installations | 8,692 | 8,692 | 932 | 932 | 443 | 2,543 | 4,644 | N\A | 36,619 | 50,425 |
| Hydrants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Other Plant and Misc. Equipment | 4,277 | 4,277 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Office Furniture and Equipment | 1,442 | 1,442 | 0 | 0 | 5,853 | 5,853 | 546 | N\A | 0 | 131 |
| Transportation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 1,835 | N\A | 23,700 | 23,700 |
| Tools, Shop and Garage Equipment | 2,253 | 2,253 | 0 | 0 | 0 | 0 | 1,695 | N\A | 271 | 271 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Total Utility Plant | $56,145 | $56,145 | $228,855 | $228,855 | $66,049 | $68,149 | $263,641 | N\A | $573,370 | $696,817 |
| UTILITY PLANT | | | | | | | | | | |
| Non-Depreciable | $0 | $0 | $0 | $0 | $0 | $0 | $8,801 | N\A | $30,500 | $30,500 |
| Depreciable | 56,145 | 56,145 | 228,855 | 228,855 | 66,049 | 68,149 | 254,840 | N\A | 542,870 | 666,317 |
| Total Utility Plant | $56,145 | $56,145 | $228,855 | $228,855 | $66,049 | $68,149 | $263,641 | N\A | $573,370 | $696,817 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | PELICAN POINT COMPANY (41) | | POINT FOSDICK WATER COMPANY, INC. (42) | | RAFT ISLAND WATER CO. (43) | | RIVERVALE WATER SYSTEM (44) | | SANDERSON & ASSOCIATES, INC. (45) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | N\A | N\A | $231,141 | N\A | $72,181 | $75,276 | $80,558 | N\A | $578,117 | $588,854 |
| CONSTRUCTION WORK IN PROGRESS | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHER | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL UTILITY PLANT | N\A | N\A | 231,141 | N\A | 72,181 | 75,276 | 80,558 | N\A | 578,117 | 588,854 |
| ACCUM.PROV. FOR DEPR. & AMORT. | N\A | N\A | 44,124 | N\A | 35,888 | 38,283 | 10,191 | N\A | 46,486 | 42,398 |
| NET UTILITY PLANT | N\A | N\A | 187,017 | N\A | 36,293 | 36,993 | 70,367 | N\A | 531,631 | 546,456 |
| CASH | N\A | N\A | 390 | N\A | 8,199 | 407 | 0 | N\A | 33,017 | 36,111 |
| CUSTOMER ACCOUNTS RECEIVABLE | N\A | N\A | 0 | N\A | 0 | 0 | 2,314 | N\A | 0 | 0 |
| OTHER ASSETS | N\A | N\A | 0 | N\A | 0 | 24,885 | 3,104 | N\A | 675 | 2,250 |
| TOTAL ASSETS | N\A | N\A | $187,407 | N\A | $44,492 | $62,285 | $75,785 | N\A | $565,323 | $584,817 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | N\A | N\A | $150,000 | N\A | $0 | $0 | $0 | N\A | $21,500 | $21,500 |
| PREFERRED STOCK ISSUED | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHER PAID IN CAPITAL | N\A | N\A | 17,624 | N\A | 0 | 0 | 0 | N\A | (20,992) | (20,992) |
| RETAINED EARNINGS: | N\A | N\A | | N\A | | | | N\A | | |
| APPROPRIATED | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| UNAPPROPRIATED | N\A | N\A | 5,295 | N\A | 0 | 0 | 0 | N\A | 46,620 | 63,634 |
| PROPRIETARY CAPITAL | N\A | N\A | 0 | N\A | 26,453 | 2,167 | 75,785 | N\A | 0 | 0 |
| TOTAL CAPITAL | N\A | N\A | 172,919 | N\A | 26,453 | 2,167 | 75,785 | N\A | 47,128 | 64,142 |
| LONG-TERM DEBT | N\A | N\A | 0 | N\A | 6,239 | 47,571 | 0 | N\A | 0 | 0 |
| ACCOUNTS PAYABLE | N\A | N\A | 14,488 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| NOTES PAYABLE | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| CUSTOMER DEPOSITS | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| ACCRUED TAXES | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 1,798 |
| OTHER LIABILITIES | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 3,714 | 3,696 |
| ADVANCES FOR CONSTRUCTION | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | N\A | N\A | 0 | N\A | 11,800 | 12,547 | 0 | N\A | 514,681 | 515,181 |
| TOTAL LIABILITIES | N\A | N\A | 14,488 | N\A | 18,039 | 60,118 | 0 | N\A | 518,195 | 520,675 |
| TOTAL LIABILITIES AND CAPITAL | N\A | N\A | $187,407 | N\A | $44,492 | $62,285 | $75,785 | N\A | $565,323 | $584,817 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | N\A | N\A | 19.09% | N\A | 49.72% | 50.86% | 12.65% | N\A | 8.04% | 7.20% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | N\A | N\A | 0.00% | N\A | 19.08% | 95.64% | 0.00% | N\A | 0.00% | 0.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | PELICAN POINT COMPANY (41) | | POINT FOSDICK WATER COMPANY, INC. (42) | | RAFT ISLAND WATER CO. (43) | | RIVERVALE WATER SYSTEM (44) | | SANDERSON & ASSOCIATES, INC. (45) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | N\A | N\A | $34,448 | N\A | $24,030 | $23,802 | $8,290 | N\A | $56,103 | $65,793 |
| COMMERCIAL | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 1,978 | 1,767 |
| INDUSTRIAL | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| MULTIPLE FAMILY | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHER | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL OPERATING REVENUE | N\A | N\A | 34,448 | N\A | 24,030 | 23,802 | 8,290 | N\A | 58,081 | 67,560 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | N\A | N\A | 5,136 | N\A | 865 | 972 | 0 | N\A | 0 | 0 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| EMPLOYEE PENSION & BENEFITS | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| PURCHASED WATER | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| PURCHASED POWER | N\A | N\A | 5,521 | N\A | 1,557 | 1,118 | 0 | N\A | 8,121 | 7,470 |
| FUEL FOR POWER PRODUCTION | N\A | N\A | 0 | N\A | 0 | 974 | 0 | N\A | 0 | 0 |
| CHEMICALS | N\A | N\A | 0 | N\A | 685 | 257 | 0 | N\A | 0 | 0 |
| MATERIALS & SUPPLIES | N\A | N\A | 5,088 | N\A | 0 | 3,519 | 720 | N\A | 0 | 1,187 |
| CONTRACTUAL SERVICES | N\A | N\A | 2,167 | N\A | 350 | 386 | 1,630 | N\A | 3,200 | 3,384 |
| RENTS | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| TRANSPORTATION EXPENSE | N\A | N\A | 0 | N\A | 428 | 993 | 0 | N\A | 2,595 | 3,117 |
| INSURANCE EXPENSE | N\A | N\A | 2,006 | N\A | 1,758 | 1,624 | 328 | N\A | 1,157 | 1,148 |
| REGULATORY COMMISSION EXPENSES | N\A | N\A | 0 | N\A | 0 | 0 | 4,341 | N\A | 0 | 0 |
| BAD DEBT EXPENSE | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 316 |
| MISCELLANEOUS EXPENSES | N\A | N\A | 1,134 | N\A | 1,127 | 3,212 | 15 | N\A | 8,217 | 1,622 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | N\A | N\A | 21,052 | N\A | 6,770 | 13,055 | 7,034 | N\A | 23,290 | 18,444 |
| DEPRECIATION & AMORTIZATION EXPENSE | N\A | N\A | 6,554 | N\A | 2,697 | 2,695 | 7,810 | N\A | 7,868 | 989 |
| TAXES OTHER THAN INCOME | N\A | N\A | 1,970 | N\A | 1,653 | 1,033 | 376 | N\A | 2,006 | 3,986 |
| INCOME TAXES | N\A | N\A | 544 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL OPERATING EXPENSES | N\A | N\A | 30,120 | N\A | 11,120 | 16,783 | 15,220 | N\A | 33,164 | 23,419 |
| NET OPERATING INCOME(LOSS) | N\A | N\A | $4,328 | N\A | $12,910 | $7,019 | ($6,930) | N\A | $24,917 | $44,141 |
| OTHER INCOME | N\A | N\A | 0 | N\A | 333 | 132 | 0 | N\A | 597 | 1,165 |
| OTHER DEDUCTIONS | N\A | N\A | 0 | N\A | 1,512 | 2,267 | 0 | N\A | 0 | 0 |
| NET INCOME(LOSS) | N\A | N\A | $4,328 | N\A | $11,731 | $4,884 | ($6,930) | N\A | $25,514 | $45,306 |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | N\A | N\A | 61.11% | N\A | 28.17% | 54.85% | 84.85% | N\A | 40.10% | 27.30% |
| DEPRECIATION & AMORTIZATION EXPENSES | N\A | N\A | 19.03% | N\A | 11.22% | 11.32% | 94.21% | N\A | 13.55% | 1.46% |
| TAXES OTHER THAN INCOME | N\A | N\A | 5.72% | N\A | 6.88% | 4.34% | 4.54% | N\A | 3.45% | 5.90% |
| INCOME TAXES | N\A | N\A | 1.58% | N\A | 0.00% | 0.00% | 0.00% | N\A | 0.00% | 0.00% |
| TOTAL DEDUCTIONS | N\A | N\A | 87.44% | N\A | 46.28% | 70.51% | 183.59% | N\A | 57.10% | 34.66% |
| NET OPERATING INCOME (LOSS) | N\A | N\A | 12.56% | N\A | 53.72% | 29.49% | -83.59% | N\A | 42.90% | 65.34% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | PELICAN POINT COMPANY --------(41)-------- | | POINT FOSDICK WATER COMPANY, INC. --------(42)-------- | | RAFT ISLAND WATER CO. --------(43)-------- | | RIVERVALE WATER SYSTEM --------(44)-------- | | SANDERSON & ASSOCIATES, INC. --------(45)-------- | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| CUSTOMERS: | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | N\A | N\A | 232 | N\A | 146 | 155 | 0 | N\A | 278 | 302 |
| COMMERCIAL-ANNUAL AVERAGE | N\A | N\A | 0 | N\A | 0 | 0 | 15 | N\A | 10 | 10 |
| INDUSTRIAL-ANNUAL AVERAGE | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | N\A | N\A | 0 | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL CUSTOMERS | N\A | N\A | 232 | N\A | 146 | 155 | 15 | N\A | 288 | 312 |
| OTHER STATISTICS: | | | | | | | | | | |
| NO. OF WELLS | N\A | N\A | 4 | N\A | 2 | 2 | N\A | N\A | N\A | 15 |
| CAPACITY OF PUMPS -- (GPM) | N\A | N\A | 555 | N\A | 172 | 172 | N\A | N\A | N\A | 1,446 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | N\A | N\A | 107,000 | N\A | 20,000 | 30,000 | N\A | N\A | N\A | 274,000 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | N\A | N\A | N\A | N\A | 353.23 | N\A | N\A | N\A | N\A |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | N\A | N\A | N\A | N\A | $0.43 | N\A | N\A | N\A | N\A |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | N\A | N\A | N\A | N\A | $12.80 | N\A | N\A | N\A | $18.15 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | N\A | N\A | N\A | N\A | $157.72 | N\A | N\A | N\A | $100.24 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | PELICAN POINT COMPANY (41) | | POINT FOSDICK WATER COMPANY, INC. (42) | | RAFT ISLAND WATER CO. (43) | | RIVERVALE WATER SYSTEM (44) | | SANDERSON & ASSOCIATES, INC. (45) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACCUMULATED DEPRECIATION | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Account Description | | | | | | | | | | |
| Structures & Improvements | N\A | N\A | N\A | N\A | $2,310 | $2,416 | $270 | N\A | N\A | N\A |
| Collecting & Impounding Reservoirs | N\A | N\A | N\A | N\A | 11,485 | 0 | 0 | N\A | N\A | N\A |
| Lake River & Other Intakes | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | N\A | N\A |
| Well & Springs | N\A | N\A | N\A | N\A | 7,128 | 20,371 | 4,447 | N\A | N\A | N\A |
| Supply Mains | N\A | N\A | N\A | N\A | 470 | 0 | 0 | N\A | N\A | N\A |
| Power Generating Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | N\A | N\A |
| Pumping Equipment | N\A | N\A | N\A | N\A | 4,395 | 5,627 | 403 | N\A | N\A | N\A |
| Water Treatment Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | N\A | N\A |
| Distribution Reservoirs & Standpipes | N\A | N\A | N\A | N\A | 5,277 | 0 | 2,545 | N\A | N\A | N\A |
| Trans. & Dist. Mains | N\A | N\A | N\A | N\A | 0 | 5,762 | 2,464 | N\A | N\A | N\A |
| Services | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | N\A | N\A |
| Meter & Meter Installations | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | N\A | N\A |
| Hydrants | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | N\A | N\A |
| Other Plant and Misc.Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 62 | N\A | N\A | N\A |
| Office Furniture and Equipment | N\A | N\A | N\A | N\A | 543 | 437 | 0 | N\A | N\A | N\A |
| Transportation Equipment | N\A | N\A | N\A | N\A | 150 | 0 | 0 | N\A | N\A | N\A |
| Tools, Shop and Garage Equipment | N\A | N\A | N\A | N\A | 4,130 | 3,670 | 0 | N\A | N\A | N\A |
| Power Operated Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | N\A | N\A |
| Other Tangible Plant | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | N\A | N\A |
| Total Accumulated Depreciation | N\A | N\A | N\A | N\A | $35,888 | $38,283 | $10,191 | N\A | N\A | N\A |
| CURRENT RATES & SERVICE LIVES | | | | | | | | | | |
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Structures & Improvements | N\A | N\A | N\A | N\A | 40 | 2.50% | 35 | 2.86% | N\A | N\A |
| Collecting & Impounding Reservoirs | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Lake River & Other Intakes | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Well & Springs | N\A | N\A | N\A | N\A | 25 | 4.00% | 25 | 4.00% | N\A | N\A |
| Supply Mains | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Power Generating Equipment | N\A | N\A | N\A | N\A | 20 | 5.00% | 0 | 0.00% | N\A | N\A |
| Pumping Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | 20 | 5.00% | N\A | N\A |
| Water Treatment Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Distribution Reservoirs & Standpipes | N\A | N\A | N\A | N\A | 0 | 0.00% | 60 | 1.67% | N\A | N\A |
| Trans. & Dist. Mains | N\A | N\A | N\A | N\A | 50 | 2.00% | 75 | 1.33% | N\A | N\A |
| Services | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Meter & Meter Installations | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Hydrants | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Other Plant and Misc.Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | 50 | 2.00% | N\A | N\A |
| Office Furniture and Equipment | N\A | N\A | N\A | N\A | 20 | 5.00% | 0 | 0.00% | N\A | N\A |
| Transportation Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Tools, Shop and Garage Equipment | N\A | N\A | N\A | N\A | 20 | 5.00% | 0 | 0.00% | N\A | N\A |
| Power Operated Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |
| Other Tangible Plant | N\A | N\A | N\A | N\A | 0 | 0.00% | 0 | 0.00% | N\A | N\A |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| Account Description | PELICAN POINT COMPANY (41) | | POINT FOSDICK WATER COMPANY, INC. (42) | | RAFT ISLAND WATER CO. (43) | | RIVERVALE WATER SYSTEM (44) | | SANDERSON & ASSOCIATES, INC. (45) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Organization | N\A | N\A | N\A | N\A | $205 | $205 | $0 | N\A | $0 | $0 |
| Franchises | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| Land and Land Rights | N\A | N\A | N\A | N\A | 2,700 | 4,200 | 0 | N\A | 0 | 0 |
| Structures and Improvements | N\A | N\A | N\A | N\A | 4,200 | 4,200 | 1,247 | N\A | 0 | 0 |
| Collecting and Impounding Reservoirs | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| Lake River and Other Intakes | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| Wells and Springs | N\A | N\A | N\A | N\A | 29,186 | 29,186 | 25,020 | N\A | 0 | 0 |
| Supply Mains | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| Power Generation Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| Pumping Equipment | N\A | N\A | N\A | N\A | 4,395 | 12,329 | 1,237 | N\A | 208,444 | 209,705 |
| Water Treatment Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| Distribution Reservoirs and Standpipes | N\A | N\A | N\A | N\A | 0 | 0 | 23,369 | N\A | 0 | 0 |
| Transmission and Distribution Mains | N\A | N\A | N\A | N\A | 24,185 | 19,346 | 26,581 | N\A | 259,835 | 267,761 |
| Services | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| Meters and Meter Installations | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 1,033 |
| Hydrants | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 0 |
| Other Plant and Misc. Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 3,104 | N\A | 0 | 0 |
| Office Furniture and Equipment | N\A | N\A | N\A | N\A | 1,212 | 1,212 | 0 | N\A | 0 | 0 |
| Transportation Equipment | N\A | N\A | N\A | N\A | 1,500 | 0 | 0 | N\A | 0 | 0 |
| Tools, Shop and Garage Equipment | N\A | N\A | N\A | N\A | 4,598 | 4,598 | 0 | N\A | 0 | 0 |
| Power Operated Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 0 | 517 |
| Other Tangible Plant | N\A | N\A | N\A | N\A | 0 | 0 | 0 | N\A | 109,838 | 109,838 |
| Total Utility Plant | N\A | N\A | N\A | N\A | $72,181 | $75,276 | $80,558 | N\A | $578,117 | $588,854 |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | N\A | N\A | N\A | N\A | $2,905 | $4,405 | $0 | N\A | $0 | $0 |
| Depreciable | N\A | N\A | N\A | N\A | 69,276 | 70,871 | 80,558 | N\A | 578,117 | 588,854 |
| Total Utility Plant | N\A | N\A | N\A | N\A | $72,181 | $75,276 | $80,558 | N\A | $578,117 | $588,854 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | SARATOGA WATER, INC. (46) | | SEAVIEW WATER COMPANY (47) | | SOLMAR WATER SYSTEMS, INC. (48) | | SOUND WATER COMPANY, INC. (49) | | SOUTH BAINBRIDGE WATER SYS., INC. (50) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | $164,421 | $164,421 | $250,662 | $251,022 | $159,785 | $159,960 | $1,165,965 | N\A | $467,980 | 476,132 |
| CONSTRUCTION WORK IN PROGRESS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL UTILITY PLANT | 164,421 | 164,421 | 250,662 | 251,022 | 159,785 | 159,960 | 1,165,965 | N\A | 467,980 | 476,132 |
| ACCUM.PROV. FOR DEPR. & AMORT. | 108,072 | 112,529 | 24,387 | 33,003 | 5,343 | 10,686 | 95,412 | N\A | 110,346 | 121,727 |
| NET UTILITY PLANT | 56,349 | 51,892 | 226,275 | 218,019 | 154,442 | 149,274 | 1,070,553 | N\A | 357,634 | 354,405 |
| CASH | 1,263 | 1,754 | 7,966 | 2,471 | 2,707 | 2,146 | 13,202 | N\A | 7,485 | 20,232 |
| CUSTOMER ACCOUNTS RECEIVABLE | 0 | 0 | 0 | 0 | 0 | 0 | 12,187 | N\A | 15,250 | 17,312 |
| OTHER ASSETS | 0 | 0 | 0 | 10,000 | 0 | 750 | 25,183 | N\A | 51,988 | 48,575 |
| TOTAL ASSETS | $57,612 | $53,646 | $234,241 | $230,490 | $157,149 | $152,170 | $1,121,125 | N\A | $432,357 | $440,524 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $500 | $500 | $0 | $0 | $500 | $500 | $13,910 | N\A | $12,500 | $12,500 |
| PREFERRED STOCK ISSUED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| OTHER PAID IN CAPITAL | 0 | 0 | 0 | 0 | 1,500 | 1,500 | 0 | N\A | 184,321 | 184,321 |
| RETAINED EARNINGS: | | | | | | | | N\A | | |
| APPROPRIATED | 0 | 0 | 0 | 0 | (3,351) | (8,253) | 0 | N\A | 49,265 | 63,862 |
| UNAPPROPRIATED | (37,114) | (41,735) | 0 | 0 | 0 | 0 | 133,275 | N\A | 0 | 0 |
| PROPRIETARY CAPITAL | 0 | 0 | 206,713 | 201,762 | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL CAPITAL | (36,614) | (41,235) | 206,713 | 201,762 | (1,351) | (6,253) | 147,185 | N\A | 246,086 | 260,683 |
| LONG-TERM DEBT | 0 | 0 | 0 | 0 | 157,931 | 157,867 | 16,924 | N\A | 95,511 | 82,341 |
| ACCOUNTS PAYABLE | 0 | 0 | 0 | 0 | 0 | 0 | 2,192 | N\A | 2,567 | 2,567 |
| NOTES PAYABLE | 68,166 | 68,821 | 0 | 0 | 13 | 70 | 65,000 | N\A | 2,205 | 2,205 |
| CUSTOMER DEPOSITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| ACCRUED TAXES | 0 | 0 | 0 | 0 | 556 | 486 | 0 | N\A | 3,353 | 2,293 |
| OTHER LIABILITIES | 0 | 0 | 0 | 0 | 0 | 0 | 32,980 | N\A | 54,596 | 54,596 |
| ADVANCES FOR CONSTRUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | 26,060 | 26,060 | 27,528 | 28,728 | 0 | 0 | 856,844 | N\A | 28,039 | 35,839 |
| TOTAL LIABILITIES | 94,226 | 94,881 | 27,528 | 28,728 | 158,500 | 158,423 | 973,940 | N\A | 186,271 | 179,841 |
| TOTAL LIABILITIES AND CAPITAL | $57,612 | $53,646 | $234,241 | $230,490 | $157,149 | $152,170 | $1,121,125 | N\A | $432,357 | $440,524 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | 65.73% | 68.44% | 9.73% | 13.15% | 3.34% | 6.68% | 8.18% | N\A | 23.58% | 25.57% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 0.00% | 0.00% | 0.00% | 0.00% | 100.86% | 104.12% | 10.31% | N\A | 27.96% | 24.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | SARATOGA WATER, INC. (46) | | SEAVIEW WATER COMPANY (47) | | SOLMAR WATER SYSTEMS, INC. (48) | | SOUND WATER COMPANY, INC. (49) | | SOUTH BAINBRIDGE WATER SYS., INC. (50) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | $26,517 | $30,672 | $20,943 | $23,737 | $39,588 | $37,527 | $109,803 | N\A | $82,468 | $90,560 |
| COMMERCIAL | 0 | 0 | 0 | 0 | 0 | 0 | 14,550 | N\A | 6,323 | 6,482 |
| INDUSTRIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 8,825 | 10,803 |
| MULTIPLE FAMILY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 9,353 | 11,715 |
| OTHER | 0 | 0 | 277 | 932 | 0 | 0 | 55,850 | N\A | 1,188 | 3,554 |
| TOTAL OPERATING REVENUE | 26,517 | 30,672 | 21,220 | 24,669 | 39,588 | 37,527 | 180,203 | N\A | 108,157 | 123,114 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 16,530 | 10,214 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | 0 | 0 | 9,600 | 9,600 | 0 | 3,525 | 88,115 | N\A | 26,000 | 26,000 |
| EMPLOYEE PENSION & BENEFITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 2,012 | 1,437 |
| PURCHASED WATER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| PURCHASED POWER | 0 | 756 | 2,634 | 2,798 | 3,238 | 3,092 | 0 | N\A | 8,428 | 8,521 |
| FUEL FOR POWER PRODUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| CHEMICALS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 300 | 180 |
| MATERIALS & SUPPLIES | 0 | 4,166 | 698 | 2,500 | 2,302 | 1,367 | 27,610 | N\A | 7,080 | 716 |
| CONTRACTUAL SERVICES | 11,381 | 8,850 | 1,116 | 3,988 | 5,758 | 1,417 | 24,063 | N\A | 3,525 | 3,111 |
| RENTS | 3,200 | 1,200 | 0 | 0 | 540 | 810 | 0 | N\A | 5,700 | 5,700 |
| TRANSPORTATION EXPENSE | 650 | 1,433 | 612 | 623 | 140 | 106 | 1,740 | N\A | 6,165 | 6,963 |
| INSURANCE EXPENSE | 0 | 1,639 | 196 | 548 | 1,229 | 1,584 | 5,063 | N\A | 3,928 | 4,770 |
| REGULATORY COMMISSION EXPENSES | 0 | 0 | 20 | 25 | 0 | 0 | 55 | N\A | 0 | 124 |
| BAD DEBT EXPENSE | 0 | 110 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| MISCELLANEOUS EXPENSES | 2,125 | 2,688 | 312 | 60 | 1,110 | 1,445 | 24,608 | N\A | 5,281 | 7,560 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 17,356 | 20,842 | 15,188 | 20,142 | 14,317 | 13,346 | 171,254 | N\A | 84,949 | 75,296 |
| DEPRECIATION & AMORTIZATION EXPENSE | 5,955 | 4,457 | 8,607 | 8,616 | 5,343 | 5,343 | 6,574 | N\A | 12,123 | 11,381 |
| TAXES OTHER THAN INCOME | 8,937 | 1,493 | 1,105 | 1,268 | 2,111 | 2,819 | 8,759 | N\A | 15,214 | 15,142 |
| INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| TOTAL OPERATING EXPENSES | 32,248 | 26,792 | 24,900 | 30,026 | 21,771 | 21,508 | 186,587 | N\A | 112,286 | 101,819 |
| NET OPERATING INCOME(LOSS) | ($5,731) | $3,880 | ($3,680) | ($5,357) | $17,817 | $16,019 | ($6,384) | N\A | ($4,129) | $21,295 |
| OTHER INCOME | 6,677 | 7,428 | 0 | 0 | 0 | 0 | 43,450 | N\A | 0 | 850 |
| OTHER DEDUCTIONS | 12,503 | 15,929 | 420 | 76 | 21,168 | 20,923 | 8,418 | N\A | 2,920 | 9,365 |
| NET INCOME(LOSS) | ($11,557) | ($4,621) | ($4,100) | ($5,433) | ($3,351) | ($4,904) | $28,648 | N\A | ($7,049) | $12,780 |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 65.45% | 67.95% | 71.57% | 81.65% | 36.16% | 35.56% | 95.03% | N\A | 78.54% | 61.16% |
| DEPRECIATION & AMORTIZATION EXPENSES | 22.46% | 14.53% | 40.56% | 34.93% | 13.50% | 14.24% | 3.65% | N\A | 11.21% | 9.24% |
| TAXES OTHER THAN INCOME | 33.70% | 4.87% | 5.21% | 5.14% | 5.33% | 7.51% | 4.86% | N\A | 14.07% | 12.30% |
| INCOME TAXES | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | N\A | 0.00% | 0.00% |
| TOTAL DEDUCTIONS | 121.61% | 87.35% | 117.34% | 121.72% | 54.99% | 57.31% | 103.54% | N\A | 103.82% | 82.70% |
| NET OPERATING INCOME (LOSS) | -21.61% | 12.65% | -17.34% | -21.72% | 45.01% | 42.69% | -3.54% | N\A | -3.82% | 17.30% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | SARATOGA WATER, INC. (46) | | SEAVIEW WATER COMPANY (47) | | SOLMAR WATER SYSTEMS, INC. (48) | | SOUND WATER COMPANY, INC. (49) | | SOUTH BAINBRIDGE WATER SYS., INC. (50) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **CUSTOMERS:** | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 152 | 152 | 133 | 135 | 244 | 237 | 425 | N\A | 362 | 355 |
| COMMERCIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 165 | N\A | 0 | 2 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 1 |
| OTHERS-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 10 |
| TOTAL CUSTOMERS | 152 | 152 | 133 | 135 | 244 | 237 | 590 | N\A | 362 | 368 |
| **OTHER STATISTICS:** | | | | | | | | | | |
| NO. OF WELLS | 1 | 1 | 3 | 3 | 2 | 2 | 4 | N\A | 4 | 6 |
| CAPACITY OF PUMPS -- (GPM) | 75 | 75 | 260 | 260 | 459 | 450 | 465 | N\A | 310 | 300 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | 50,000 | 50,000 | 60,000 | 60,000 | 70,000 | 70,000 | 238,000 | N\A | 215,000 | 215,000 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | 53.05 | N\A | 118.59 | N\A | 68.01 | N\A | N\A | N\A | N\A |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | $3.80 | N\A | $1.48 | N\A | $2.33 | N\A | N\A | N\A | N\A |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | $16.82 | N\A | $14.65 | N\A | $13.20 | N\A | N\A | N\A | $20.85 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | $169.95 | N\A | $1,402.16 | N\A | $629.85 | N\A | N\A | N\A | $865.67 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | SARATOGA WATER, INC. (46) | | SEAVIEW WATER COMPANY (47) | | SOLMAR WATER SYSTEMS, INC. (48) | | SOUND WATER COMPANY, INC. (49) | | SOUTH BAINBRIDGE WATER SYS., INC. (50) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACCUMULATED DEPRECIATION | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Account Description | | | | | | | | | | |
| Structures & Improvements | $4,251 | $4,274 | $4,317 | $5,755 | $0 | $0 | $2,676 | N\A | $3,199 | $3,539 |
| Collecting & Impounding Reservoirs | 15,417 | 15,445 | 0 | 0 | 0 | 0 | 0 | N\A | 1,830 | 2,056 |
| Lake River & Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Well & Springs | 7,622 | 8,097 | 1,683 | 2,244 | 0 | 0 | 15,452 | N\A | 2,765 | 3,193 |
| Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 420 | 448 |
| Power Generating Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Pumping Equipment | 1,481 | 1,750 | 2,943 | 3,924 | 1,750 | 3,500 | 13,008 | N\A | 6,313 | 7,097 |
| Water Treatment Equipment | 0 | 0 | 5,060 | 7,220 | 0 | 0 | 0 | N\A | 0 | 0 |
| Distribution Reservoirs & Standpipes | 0 | 0 | 975 | 1,300 | 1,167 | 2,334 | 0 | N\A | 11,446 | 12,497 |
| Trans. & Dist. Mains | 63,765 | 65,948 | 1,674 | 2,232 | 2,426 | 4,852 | 57,357 | N\A | 63,449 | 69,961 |
| Services | 1,721 | 1,959 | 2,730 | 3,640 | 0 | 0 | 0 | N\A | 6,464 | 7,097 |
| Meter & Meter Installations | 8,207 | 8,908 | 1,009 | 1,360 | 0 | 0 | 0 | N\A | 3,574 | 3,931 |
| Hydrants | 0 | 0 | 240 | 320 | 0 | 0 | 4,375 | N\A | 2,491 | 2,741 |
| Other Plant and Misc.Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Office Furniture and Equipment | 402 | 468 | 900 | 1,200 | 0 | 0 | 732 | N\A | 968 | 1,355 |
| Transportation Equipment | 5,206 | 5,680 | 2,556 | 3,408 | 0 | 0 | 0 | N\A | 6,300 | 6,300 |
| Tools, Shop and Garage Equipment | 0 | 0 | 300 | 400 | 0 | 0 | 0 | N\A | 0 | 0 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 1,127 | 2,366 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 1,812 | N\A | 0 | 0 |
| Total Accumulated Depreciation | $108,072 | $112,529 | $24,387 | $33,003 | $5,343 | $10,686 | $95,412 | N\A | $110,346 | $122,581 |
| CURRENT RATES & SERVICE LIVES | | | | | | | | | | |
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Structures & Improvements | 44 | 2.56% | 40 | 2.50% | 0 | 0.00% | 35 | 2.80% | 35 | 2.86% |
| Collecting & Impounding Reservoirs | 55 | 1.83% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 50 | 2.00% |
| Lake River & Other Intakes | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Well & Springs | 51 | 1.96% | 30 | 3.30% | 0 | 0.00% | 50 | 2.00% | 30 | 3.30% |
| Supply Mains | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Power Generating Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Pumping Equipment | 12 | 8.33% | 20 | 5.00% | 5 | 20.00% | 20 | 5.00% | 20 | 5.00% |
| Water Treatment Equipment | 0 | 0.00% | 20 | 5.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Distribution Reservoirs & Standpipes | 0 | 0.00% | 40 | 2.50% | 30 | 3.30% | 0 | 0.00% | 50 | 2.00% |
| Trans. & Dist. Mains | 39 | 2.55% | 60 | 1.60% | 30 | 3.30% | 50 | 2.00% | 60 | 1.67% |
| Services | 30 | 3.33% | 40 | 2.50% | 0 | 0.00% | 0 | 0.00% | 40 | 2.50% |
| Meter & Meter Installations | 30 | 3.35% | 35 | 2.80% | 20 | 5.00% | 0 | 0.00% | 45 | 2.22% |
| Hydrants | 0 | 0.00% | 40 | 2.50% | 0 | 0.00% | 40 | 2.50% | 50 | 2.00% |
| Other Plant and Misc.Equipment | 0 | 0.00% | 0 | 0.00% | 20 | 5.00% | 0 | 0.00% | 0 | 0.00% |
| Office Furniture and Equipment | 17 | 5.98% | 20 | 5.00% | 0 | 0.00% | 10 | 10.00% | 20 | 4.75% |
| Transportation Equipment | 12 | 8.33% | 7 | 14.20% | 0 | 0.00% | 0 | 0.00% | 7 | 12.86% |
| Tools, Shop and Garage Equipment | 0 | 0.00% | 10 | 10.00% | 0 | 0.00% | 0 | 0.00% | 15 | 6.33% |
| Power Operated Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 15 | 6.00% |
| Other Tangible Plant | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 10 | 10.00% | 0 | 0.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| Account Description | SARATOGA WATER, INC. (46) | | SEAVIEW WATER COMPANY (47) | | SOLMAR WATER SYSTEMS, INC. (48) | | SOUND WATER COMPANY, INC. (49) | | SOUTH BAINBRIDGE WATER SYS., INC. (50) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Organization | $0 | $0 | $0 | $0 | $0 | $0 | $0 | N\A | $384 | $384 |
| Franchises | 0 | 0 | 100 | 100 | 0 | 0 | 0 | N\A | 250 | 250 |
| Land and Land Rights | 4,339 | 4,339 | 2,652 | 2,652 | 32,000 | 32,000 | 22,000 | N\A | 20,700 | 20,700 |
| Structures and Improvements | 4,274 | 4,274 | 57,350 | 57,350 | 0 | 0 | 47,780 | N\A | 13,606 | 13,606 |
| Collecting and Impounding Reservoirs | 16,628 | 16,628 | 0 | 0 | 0 | 0 | 0 | N\A | 9,060 | 9,060 |
| Lake River and Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 17,116 | 17,116 |
| Wells and Springs | 9,690 | 9,690 | 17,000 | 17,000 | 0 | 0 | 138,055 | N\A | 1,120 | 1,120 |
| Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Pumping Equipment | 3,231 | 3,231 | 18,500 | 18,500 | 20,000 | 20,000 | 63,296 | N\A | 31,376 | 32,711 |
| Water Treatment Equipment | 0 | 0 | 42,100 | 42,100 | 0 | 0 | 0 | N\A | 0 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0 | 13,000 | 13,000 | 35,000 | 35,000 | 0 | N\A | 45,642 | 45,673 |
| Transmission and Distribution Mains | 88,383 | 88,383 | 34,900 | 34,900 | 72,785 | 72,785 | 861,354 | N\A | 260,496 | 260,652 |
| Services | 8,097 | 8,097 | 36,400 | 36,400 | 0 | 0 | 0 | N\A | 25,345 | 26,830 |
| Meters and Meter Installations | 23,127 | 23,127 | 12,460 | 12,820 | 0 | 175 | 0 | N\A | 14,321 | 15,905 |
| Hydrants | 0 | 0 | 3,200 | 3,200 | 0 | 0 | 25,000 | N\A | 9,998 | 9,998 |
| Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 0 | 0 |
| Office Furniture and Equipment | 970 | 970 | 6,000 | 6,000 | 0 | 0 | 2,436 | N\A | 2,314 | 5,545 |
| Transportation Equipment | 5,682 | 5,682 | 6,000 | 6,000 | 0 | 0 | 0 | N\A | 6,300 | 6,300 |
| Tools, Shop and Garage Equipment | 0 | 0 | 1,000 | 1,000 | 0 | 0 | 0 | N\A | 0 | 339 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N\A | 9,943 | 9,943 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 6,044 | N\A | 0 | 0 |
| Total Utility Plant | $164,421 | $164,421 | $250,662 | $251,022 | $159,785 | $159,960 | $1,165,965 | N\A | $467,971 | $476,132 |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | $4,339 | $4,339 | $2,752 | $2,752 | $32,000 | $32,000 | $22,000 | N\A | $21,334 | $21,334 |
| Depreciable | 160,082 | 160,082 | 247,910 | 248,270 | 127,785 | 127,960 | 1,143,965 | N\A | 446,637 | 454,798 |
| Total Utility Plant | $164,421 | $164,421 | $250,662 | $251,022 | $159,785 | $159,960 | $1,165,965 | N\A | $467,971 | $476,132 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | STROH WATER COMPANY (51) | | TERRACED ESTATES WATER COMPANY (52) | | VIEW ROYAL WATER COMPANY (53) | | WEST PASCO WATER SYSTEM, INC. (54) | | WESTBOURNE ACRES WATER CORPORATION. (55) | |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | $274,119 | $303,774 | $408,182 | $425,744 | $218,905 | $230,773 | $960,388 | $977,467 | $107,941 | $110,633 |
| CONSTRUCTION WORK IN PROGRESS | 0 | 0 | 0 | 1,893 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL UTILITY PLANT | 274,119 | 303,774 | 408,182 | 427,637 | 218,905 | 230,773 | 960,388 | 977,467 | 107,941 | 110,633 |
| ACCUM.PROV. FOR DEPR. & AMORT. | 75,431 | 84,373 | 50,020 | 58,965 | 20,386 | 25,223 | 197,775 | 213,330 | 20,119 | 22,894 |
| NET UTILITY PLANT | 198,688 | 219,401 | 358,162 | 368,672 | 198,519 | 205,550 | 762,613 | 764,137 | 87,822 | 87,739 |
| CASH | 3,161 | 2,599 | 132 | 3,071 | 252 | 1,460 | 21,994 | 16,538 | 3,282 | 2,366 |
| CUSTOMER ACCOUNTS RECEIVABLE | 0 | 0 | 0 | 0 | 2,232 | 4,226 | 3,281 | 2,903 | 1,032 | 1,135 |
| OTHER ASSETS | 0 | 4,205 | 638 | 638 | 0 | 8,004 | 3,903 | 6,731 | 0 | 0 |
| TOTAL ASSETS | $201,849 | $226,205 | $358,932 | $372,381 | $201,003 | $219,240 | $791,791 | $790,309 | $92,136 | $91,240 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | $0 | $0 | $10,000 | $10,000 | $0 | $0 | $2,400 | $2,400 | $500 | $500 |
| PREFERRED STOCK ISSUED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER PAID IN CAPITAL | 0 | 0 | 220,276 | 220,276 | 0 | 0 | 352,405 | 352,404 | 0 | 0 |
| RETAINED EARNINGS: | | | | | | | | | | |
| APPROPRIATED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| UNAPPROPRIATED | 0 | 0 | (69,084) | (69,410) | 0 | 0 | (795,618) | (825,589) | (2,269) | (3,165) |
| PROPRIETARY CAPITAL | 106,878 | 108,778 | 0 | 0 | (1,152) | 541 | 0 | 0 | 0 | 0 |
| TOTAL CAPITAL | 106,878 | 108,778 | 161,192 | 160,866 | (1,152) | 541 | (440,813) | (470,785) | (1,769) | (2,665) |
| LONG-TERM DEBT | 0 | 0 | 0 | 16,415 | 62,707 | 59,939 | 363,500 | 363,500 | 87,679 | 87,679 |
| ACCOUNTS PAYABLE | 998 | 606 | 0 | 0 | 1,034 | 731 | 2,956 | 2,366 | 0 | 0 |
| NOTES PAYABLE | 0 | 0 | 67,840 | 60,000 | 0 | 1,316 | 0 | 0 | 0 | 0 |
| CUSTOMER DEPOSITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ACCRUED TAXES | 0 | 4,389 | 0 | 0 | 0 | 2,174 | 1,918 | 2,323 | 226 | 226 |
| OTHER LIABILITIES | 0 | 0 | 0 | 0 | 0 | 0 | 193,590 | 214,044 | 0 | 0 |
| ADVANCES FOR CONSTRUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTR. IN AID OF CONSTRUCTION | 93,973 | 112,432 | 129,900 | 135,100 | 138,413 | 154,541 | 670,641 | 678,860 | 6,000 | 6,000 |
| TOTAL LIABILITIES | 94,971 | 117,427 | 197,740 | 211,515 | 202,155 | 218,699 | 1,232,604 | 1,261,093 | 93,905 | 93,905 |
| TOTAL LIABILITIES AND CAPITAL | $201,849 | $226,205 | $358,932 | $372,381 | $201,003 | $219,240 | $791,791 | $790,309 | $92,136 | $91,240 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | 27.52% | 27.77% | 12.25% | 13.85% | 9.31% | 10.93% | 20.59% | 21.82% | 18.64% | 20.69% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | 0.00% | 0.00% | 0.00% | 9.26% | 101.87% | 99.11% | -470.17% | -338.82% | 102.06% | 103.13% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | STROH WATER COMPANY (51) | | TERRACED ESTATES WATER COMPANY (52) | | VIEW ROYAL WATER COMPANY (53) | | WEST PASCO WATER SYSTEM, INC. (54) | | WESTBOURNE ACRES WATER CORPORATION. (55) | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | $54,208 | $59,296 | $23,425 | $29,399 | $8,928 | $18,286 | $103,465 | $104,881 | $10,655 | $11,055 |
| COMMERCIAL | 0 | 0 | 0 | 0 | 0 | 0 | 2,159 | 2,902 | 0 | 0 |
| INDUSTRIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MULTIPLE FAMILY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 119 | 119 | 0 | 0 |
| TOTAL OPERATING REVENUE | 54,208 | 59,296 | 23,425 | 29,399 | 8,928 | 18,286 | 105,743 | 107,902 | 10,655 | 11,055 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | 9,667 | 15,312 | 0 | 0 | 1,600 | 1,850 | 43,519 | 45,105 | 0 | 0 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 200 |
| EMPLOYEE PENSION & BENEFITS | 1,270 | 1,473 | 0 | 0 | 0 | 0 | 3,021 | 3,217 | 0 | 0 |
| PURCHASED WATER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PURCHASED POWER | 7,489 | 9,029 | 7,852 | 11,871 | 3,708 | 2,063 | 6,973 | 7,339 | 4,285 | 4,218 |
| FUEL FOR POWER PRODUCTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHEMICALS | 0 | 375 | 155 | 156 | 0 | 0 | 0 | 56 | 0 | 0 |
| MATERIALS & SUPPLIES | 3,859 | 1,353 | 0 | 663 | 364 | 892 | 3,134 | 5,490 | 2,365 | 606 |
| CONTRACTUAL SERVICES | 9,238 | 3,408 | 7,787 | 1,966 | 0 | 100 | 4,836 | 1,650 | 1,846 | 1,059 |
| RENTS | 0 | 0 | 0 | 0 | 0 | 0 | 3,000 | 3,200 | 0 | 0 |
| TRANSPORTATION EXPENSE | 3,609 | 2,765 | 169 | 0 | 95 | 16 | 5,488 | 7,655 | 0 | 0 |
| INSURANCE EXPENSE | 5,941 | 3,189 | 578 | 0 | 80 | 350 | 7,292 | 7,763 | 201 | 1,172 |
| REGULATORY COMMISSION EXPENSES | 1,025 | 55 | 0 | 0 | 0 | 0 | 117 | 141 | 10 | 11 |
| BAD DEBT EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS EXPENSES | 6,651 | 1,807 | 1,956 | 2,119 | 153 | 7 | 0 | 131 | 0 | 0 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | 48,749 | 38,766 | 18,497 | 16,775 | 6,001 | 5,278 | 77,380 | 81,746 | 8,707 | 7,266 |
| DEPRECIATION & AMORTIZATION EXPENSE | 8,251 | 8,952 | 8,852 | 8,945 | 4,776 | 1,702 | 15,525 | 15,785 | 2,721 | 2,775 |
| TAXES OTHER THAN INCOME | 7,708 | 6,911 | 2,264 | 2,539 | 8 | 575 | 13,096 | 14,137 | 216 | 273 |
| INCOME TAXES | 0 | 2,769 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING EXPENSES | 64,708 | 57,398 | 29,613 | 28,259 | 10,785 | 7,555 | 106,001 | 111,668 | 11,644 | 10,314 |
| NET OPERATING INCOME(LOSS) | ($10,500) | $1,898 | ($6,188) | $1,140 | ($1,857) | $10,731 | ($258) | ($3,766) | ($989) | $741 |
| OTHER INCOME | 0 | 0 | 7,441 | 0 | 0 | 2,200 | 1,045 | 1,076 | 0 | 0 |
| OTHER DEDUCTIONS | 0 | 0 | 3,414 | 1,468 | 3,259 | 10,489 | 25,445 | 27,279 | 0 | 0 |
| NET INCOME(LOSS) | ($10,500) | $1,898 | ($2,161) | ($328) | ($5,115) | $2,442 | ($24,658) | ($29,971) | ($989) | $741 |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | 89.93% | 65.38% | 78.96% | 57.06% | 67.21% | 28.86% | 73.18% | 75.76% | 81.72% | 65.73% |
| DEPRECIATION & AMORTIZATION EXPENSES | 15.22% | 15.10% | 37.79% | 30.43% | 53.49% | 9.31% | 14.68% | 14.63% | 25.54% | 25.10% |
| TAXES OTHER THAN INCOME | 14.22% | 11.66% | 9.66% | 8.64% | 0.09% | 3.14% | 12.38% | 13.10% | 2.03% | 2.47% |
| INCOME TAXES | 0.00% | 4.67% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| TOTAL DEDUCTIONS | 119.37% | 96.80% | 126.42% | 96.12% | 120.80% | 41.32% | 100.24% | 103.49% | 109.28% | 93.30% |
| NET OPERATING INCOME (LOSS) | -19.37% | 3.20% | -26.42% | 3.88% | -20.80% | 58.68% | -0.24% | -3.49% | -9.28% | 6.70% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | STROH WATER COMPANY (51) | | TERRACED ESTATES WATER COMPANY (52) | | VIEW ROYAL WATER COMPANY (53) | | WEST PASCO WATER SYSTEM, INC. (54) | | WESTBOURNE ACRES WATER CORPORATION. (55) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| CUSTOMERS: | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | 322 | 330 | 149 | 156 | 76 | 99 | 617 | 625 | 31 | 31 |
| COMMERCIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 9 | 0 | 0 |
| INDUSTRIAL-ANNUAL AVERAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHERS-ANNUAL AVERAGE | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CUSTOMERS | 324 | 332 | 149 | 156 | 76 | 99 | 626 | 634 | 31 | 31 |
| OTHER STATISTICS: | | | | | | | | | | |
| NO. OF WELLS | 4 | 4 | 2 | 2 | 1 | 1 | 4 | 4 | 3 | 3 |
| CAPACITY OF PUMPS -- (GPM) | 420 | 420 | 990 | 990 | 54 | 55 | 2,250 | 2,250 | 595 | 595 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | 130,000 | 107,000 | 90,000 | 90,000 | 56,000 | 57,000 | 35,000 | 35,000 | 2,700 | 2,700 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | 140.52 | N\A | N/A | N\A | N/A | N\A | 134.92 | N\A | N/A |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | $1.28 | N\A | N/A | N\A | N/A | N\A | $1.23 | N\A | N/A |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | $14.97 | N\A | $15.70 | N\A | $15.39 | N\A | $13.82 | N\A | $29.72 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | $322.20 | N\A | $1,497.00 | N\A | $515.24 | N\A | $134.51 | N\A | $2,636.74 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| ACCUMULATED DEPRECIATION | STROH WATER COMPANY (51) | | TERRACED ESTATES WATER COMPANY (52) | | VIEW ROYAL WATER COMPANY (53) | | WEST PASCO WATER SYSTEM, INC. (54) | | WESTBOURNE ACRES WATER CORPORATION. (55) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Structures & Improvements | $4,780 | $4,172 | $0 | $0 | $198 | $231 | $15,671 | $16,726 | $1,859 | $2,066 |
| Collecting & Impounding Reservoirs | 0 | 0 | 3,399 | 3,939 | 0 | 0 | 284 | 312 | 0 | 0 |
| Lake River & Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Well & Springs | 6,776 | 8,226 | 16,175 | 19,288 | 1,436 | 1,675 | 19,642 | 21,089 | 3,521 | 4,090 |
| Supply Mains | 12,239 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Generating Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pumping Equipment | 295 | 10,103 | 7,763 | 9,368 | 2,646 | 3,087 | 0 | 0 | 9,566 | 10,916 |
| Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 75 | 81 | 0 | 0 |
| Distribution Reservoirs & Standpipes | 0 | 5,040 | 0 | 0 | 1,880 | 2,193 | 4,347 | 4,528 | 635 | 706 |
| Trans. & Dist. Mains | 13,394 | 8,639 | 22,683 | 26,337 | 11,753 | 15,151 | 105,366 | 113,511 | 3,632 | 4,036 |
| Services | 0 | 5,453 | 0 | 0 | 847 | 987 | 22,493 | 24,616 | 18 | 31 |
| Meter & Meter Installations | 0 | 1,766 | 0 | 33 | 360 | 420 | 9,118 | 10,326 | 159 | 238 |
| Hydrants | 581 | 0 | 0 | 0 | 1,267 | 1,478 | 7,363 | 8,025 | 684 | 760 |
| Other Plant and Misc.Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 553 | 609 | 0 | 0 |
| Office Furniture and Equipment | 3,169 | 5,001 | 0 | 0 | 0 | 0 | 3,283 | 3,649 | 0 | 0 |
| Transportation Equipment | 34,146 | 35,941 | 0 | 0 | 0 | 0 | 7,539 | 7,624 | 0 | 0 |
| Tools, Shop and Garage Equipment | 0 | 32 | 0 | 0 | 0 | 0 | 1,810 | 1,985 | 45 | 51 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | 51 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Accumulated Depreciation | $75,431 | $84,373 | $50,020 | $58,965 | $20,387 | $25,223 | $197,545 | $213,080 | $20,119 | $22,894 |
| CURRENT RATES & SERVICE LIVES | | | | | | | | | | |
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE |
| Structures & Improvements | 50 | 2.00% | 0 | 0.00% | 40 | 2.50% | 40 | 2.50% | 40 | 2.50% |
| Collecting & Impounding Reservoirs | 0 | 0.00% | 50 | 2.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Lake River & Other Intakes | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Well & Springs | 36 | 2.76% | 50 | 2.00% | 35 | 2.90% | 35 | 2.90% | 35 | 2.90% |
| Supply Mains | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Power Generating Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Pumping Equipment | 20 | 5.07% | 50 | 2.00% | 20 | 5.00% | 20 | 5.00% | 20 | 5.00% |
| Water Treatment Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 35 | 2.90% | 0 | 0.00% |
| Distribution Reservoirs & Standpipes | 50 | 2.00% | 0 | 0.00% | 60 | 1.70% | 60 | 1.70% | 60 | 1.70% |
| Trans. & Dist. Mains | 53 | 1.89% | 50 | 2.00% | 50 | 2.00% | 75 | 1.30% | 75 | 1.30% |
| Services | 28 | 3.57% | 0 | 0.00% | 50 | 2.00% | 50 | 2.00% | 50 | 2.00% |
| Meter & Meter Installations | 0 | 0.00% | 40 | 2.50% | 45 | 2.00% | 45 | 2.00% | 45 | 2.00% |
| Hydrants | 45 | 2.22% | 0 | 0.00% | 60 | 1.60% | 60 | 1.60% | 60 | 1.60% |
| Other Plant and Misc.Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Office Furniture and Equipment | 9 | 11.80% | 0 | 0.00% | 0 | 0.00% | 25 | 3.80% | 0 | 0.00% |
| Transportation Equipment | 17 | 5.93% | 0 | 0.00% | 0 | 0.00% | 7 | 12.90% | 0 | 0.00% |
| Tools, Shop and Garage Equipment | 15 | 6.70% | 0 | 0.00% | 0 | 0.00% | 20 | 4.80% | 20 | 4.80% |
| Power Operated Equipment | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other Tangible Plant | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 10 | 9.00% | 0 | 0.00% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| | STROH WATER COMPANY (51) | | TERRACED ESTATES WATER COMPANY (52) | | VIEW ROYAL WATER COMPANY (53) | | WEST PASCO WATER SYSTEM, INC. (54) | | WESTBOURNE ACRES WATER CORPORATION. (55) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Account Description | | | | | | | | | | |
| Organization | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Franchises | 0 | 0 | 0 | 0 | 285 | 285 | 500 | 500 | 0 | 0 |
| Land and Land Rights | 27,500 | 30,500 | 0 | 12,000 | 500 | 500 | 15,058 | 15,058 | 11,107 | 11,107 |
| Structures and Improvements | 17,655 | 14,555 | 0 | 0 | 1,321 | 1,321 | 41,371 | 42,206 | 8,262 | 8,262 |
| Collecting and Impounding Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 1,117 | 1,117 | 0 | 0 |
| Lake River and Other Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wells and Springs | 43,257 | 52,457 | 162,000 | 162,000 | 8,252 | 8,252 | 49,880 | 49,880 | 19,614 | 19,614 |
| Supply Mains | 41,297 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 511 | 511 | 0 | 0 |
| Pumping Equipment | 747 | 22,722 | 65,998 | 68,302 | 8,821 | 8,821 | 0 | 384 | 27,009 | 27,009 |
| Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 186 | 186 | 0 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 27,075 | 0 | 0 | 18,427 | 18,427 | 10,664 | 10,664 | 4,151 | 4,151 |
| Transmission and Distribution Mains | 78,860 | 59,872 | 180,184 | 185,335 | 162,479 | 169,904 | 617,748 | 626,962 | 31,046 | 31,046 |
| Services | 0 | 25,634 | 0 | 0 | 6,974 | 7,050 | 104,507 | 106,307 | 402 | 634 |
| Meters and Meter Installations | 0 | 0 | 0 | 0 | 2,009 | 3,005 | 55,593 | 60,440 | 1,483 | 3,943 |
| Hydrants | 13,298 | 18,679 | 0 | 0 | 9,837 | 13,208 | 41,612 | 41,612 | 4,750 | 4,750 |
| Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 615 | 615 | 0 | 0 |
| Office Furniture and Equipment | 7,635 | 8,735 | 0 | 0 | 0 | 0 | 9,629 | 9,629 | 0 | 0 |
| Transportation Equipment | 43,870 | 43,070 | 0 | 0 | 0 | 0 | 7,963 | 7,963 | 0 | 0 |
| Tools, Shop and Garage Equipment | 0 | 475 | 0 | 0 | 0 | 0 | 3,633 | 3,633 | 117 | 117 |
| Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Utility Plant | $274,119 | $303,774 | $408,182 | $427,637 | $218,906 | $230,774 | $960,388 | $977,467 | $107,941 | $110,633 |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | $27,500 | $30,500 | $0 | $12,000 | $785 | $785 | $15,558 | $15,558 | $11,107 | $11,107 |
| Depreciable | 246,619 | 273,274 | 408,182 | 415,637 | 218,121 | 229,989 | 944,830 | 961,908 | 96,834 | 99,526 |
| Total Utility Plant | $274,119 | $303,774 | $408,182 | $427,637 | $218,906 | $230,774 | $960,388 | $977,467 | $107,941 | $110,633 |

CLASS "C" WATER UTILITIES
BALANCE SHEET AND RELATED RATIOS
DECEMBER 31, 1986 AND 1987

| BALANCE SHEET: | WHIDBEY WEST --------(56)-------- | | WILLIAM F. KOHLWES WATER COMPANY --------(57)-------- | | W. B. WATER WORKS --------(58)-------- | | THE W. MAIN CORPORATION, UTILITIES DIV. --------(59)-------- | | TOTAL CLASS "C" WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| UTILITY PLANT: | | | | | | | | | | |
| UTILITY PLANT IN SERVICE | N\A | N\A | N\A | N\A | $88,993 | $110,241 | $285,892 | $285,892 | $15,366,786 | $14,244,882 |
| CONSTRUCTION WORK IN PROGRESS | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 84,509 | 69,084 |
| OTHER | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 13,098 | 1,655 |
| TOTAL UTILITY PLANT | N\A | N\A | N\A | N\A | 88,993 | 110,241 | 285,892 | 285,892 | 15,464,393 | 14,315,622 |
| ACCUM.PROV. FOR DEPR. & AMORT. | N\A | N\A | N\A | N\A | 10,397 | 13,678 | 147,518 | 189,423 | 3,579,960 | 3,989,207 |
| NET UTILITY PLANT | N\A | N\A | N\A | N\A | 78,596 | 96,563 | 138,374 | 96,469 | 11,884,433 | 10,326,414 |
| CASH | N\A | N\A | N\A | N\A | 0 | 4,002 | 544 | 466 | 315,963 | 356,770 |
| CUSTOMER ACCOUNTS RECEIVABLE | N\A | N\A | N\A | N\A | 0 | 0 | 1,860 | 1,092 | 132,094 | 139,869 |
| OTHER ASSETS | N\A | N\A | N\A | N\A | 0 | 0 | 412 | 412 | 1,355,221 | 1,652,578 |
| TOTAL ASSETS | N\A | N\A | N\A | N\A | $78,596 | $100,565 | $141,190 | $98,439 | $13,687,711 | $12,475,630 |
| LIABILITIES AND CAPITAL: | | | | | | | | | | |
| COMMON STOCK ISSUED | N\A | N\A | N\A | N\A | $25,000 | $25,000 | $0 | $0 | $676,026 | $543,598 |
| PREFERRED STOCK ISSUED | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER PAID IN CAPITAL | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 4,999,461 | 4,932,850 |
| RETAINED EARNINGS: | N\A | N\A | N\A | N\A | | | | | | |
| APPROPRIATED | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 29,419 | 43,433 |
| UNAPPROPRIATED | N\A | N\A | N\A | N\A | 12,868 | (3,835) | 127,111 | 87,540 | (1,157,158) | (1,355,709) |
| PROPRIETARY CAPITAL | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 855,080 | 793,932 |
| TOTAL CAPITAL | N\A | N\A | N\A | N\A | 37,868 | 21,165 | 127,111 | 87,540 | 5,402,829 | 4,958,104 |
| LONG-TERM DEBT | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 1,875,837 | 2,024,671 |
| ACCOUNTS PAYABLE | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 271,699 | 346,046 |
| NOTES PAYABLE | N\A | N\A | N\A | N\A | 22,728 | 43,400 | 13,299 | 10,305 | 604,019 | 447,740 |
| CUSTOMER DEPOSITS | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 7,148 | 3,957 |
| ACCRUED TAXES | N\A | N\A | N\A | N\A | 0 | 0 | 780 | 594 | 56,985 | 56,687 |
| OTHER LIABILITIES | N\A | N\A | N\A | N\A | 18,000 | 36,000 | 0 | 0 | 499,246 | 451,519 |
| ADVANCES FOR CONSTRUCTION | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 65,759 | 33,871 |
| CONTR. IN AID OF CONSTRUCTION | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 4,904,189 | 4,153,034 |
| TOTAL LIABILITIES | N\A | N\A | N\A | N\A | 40,728 | 79,400 | 14,079 | 10,899 | 8,284,882 | 7,517,525 |
| TOTAL LIABILITIES AND CAPITAL | N\A | N\A | N\A | N\A | $78,596 | $100,565 | $141,190 | $98,439 | $13,687,711 | $12,475,630 |
| RELATED RATIOS: | | | | | | | | | | |
| RATIO OF ACCUM.PROV. FOR DEPRECIATION AND AMORTIZATION TO UTILITY PLANT IN SERVICE | N\A | N\A | N\A | N\A | 11.68% | 12.41% | 51.60% | 66.26% | 23.30% | 28.00% |
| RATIO OF L-T DEBT TO TOTAL CAPITALIZATION | N\A | N\A | N\A | N\A | 0.00% | 0.00% | 0.00% | 0.00% | 25.77% | 29.00% |

CLASS "C" WATER UTILITIES
NET OPERATING INCOME STATEMENT
DECEMBER 31, 1986 AND 1987

| | WHIDBEY WEST -----(56)----- | | WILLIAM F. KOHLWES WATER COMPANY -----(57)----- | | W. B. WATER WORKS -----(58)----- | | THE W. MAIN CORPORATION, UTILITIES DIV. -----(59)----- | | TOTAL CLASS "C" WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING REVENUE: | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| RESIDENTIAL | N\A | N\A | N\A | N\A | $26,582 | $24,073 | N\A | $20,759 | $1,891,466 | $1,914,998 |
| COMMERCIAL | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 94,114 | 89,962 |
| INDUSTRIAL | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 8,825 | 10,803 |
| MULTIPLE FAMILY | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 15,516 | 16,874 |
| OTHER | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 350 | 74,993 | 43,198 |
| TOTAL OPERATING REVENUE | N\A | N\A | N\A | N\A | 26,582 | 24,073 | N\A | 21,109 | 2,084,914 | 2,075,835 |
| OPERATING EXPENSES: | | | | | | | | | | |
| SALARIES AND WAGES-EMPLOYEES | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 13,670 | 296,020 | 305,635 |
| SALARIES AND WAGES-OFFICERS & DIRECTORS | N\A | N\A | N\A | N\A | 18,000 | 18,000 | N\A | 0 | 313,319 | 273,161 |
| EMPLOYEE PENSION & BENEFITS | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 17,342 | 25,438 |
| PURCHASED WATER | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 24,823 | 24,662 |
| PURCHASED POWER | N\A | N\A | N\A | N\A | 3,997 | 4,499 | N\A | 0 | 153,786 | 169,964 |
| FUEL FOR POWER PRODUCTION | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 3,224 | 15,005 | 18,573 |
| CHEMICALS | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 9,763 | 11,896 |
| MATERIALS & SUPPLIES | N\A | N\A | N\A | N\A | 1,120 | 17 | N\A | 1,484 | 116,841 | 95,588 |
| CONTRACTUAL SERVICES | N\A | N\A | N\A | N\A | 2,837 | 3,522 | N\A | 3,537 | 242,293 | 190,420 |
| RENTS | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 60,976 | 61,089 |
| TRANSPORTATION EXPENSE | N\A | N\A | N\A | N\A | 3,600 | 3,600 | N\A | 944 | 50,292 | 48,814 |
| INSURANCE EXPENSE | N\A | N\A | N\A | N\A | 3,000 | 1,745 | N\A | 2,261 | 83,706 | 85,062 |
| REGULATORY COMMISSION EXPENSES | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 50 | 6,173 | 2,274 |
| BAD DEBT EXPENSE | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 3,868 | 3,615 |
| MISCELLANEOUS EXPENSES | N\A | N\A | N\A | N\A | 0 | 1,072 | N\A | 12,360 | 109,258 | 114,766 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | N\A | N\A | N\A | N\A | 32,554 | 32,455 | N\A | 37,530 | 1,503,464 | 1,430,958 |
| DEPRECIATION & AMORTIZATION EXPENSE | N\A | N\A | N\A | N\A | 2,599 | 3,281 | N\A | 41,905 | 344,475 | 340,286 |
| TAXES OTHER THAN INCOME | N\A | N\A | N\A | N\A | 2,417 | 1,192 | N\A | 594 | 214,226 | 211,486 |
| INCOME TAXES | N\A | N\A | N\A | N\A | 0 | 0 | N\A | 0 | 1,144 | 9,677 |
| TOTAL OPERATING EXPENSES | N\A | N\A | N\A | N\A | 37,570 | 36,928 | N\A | 80,029 | 2,063,310 | 1,992,407 |
| NET OPERATING INCOME(LOSS) | N\A | N\A | N\A | N\A | ($10,988) | ($12,855) | N\A | ($58,920) | $21,604 | $83,428 |
| OTHER INCOME | N\A | N\A | N\A | N\A | 0 | 119 | N\A | 0 | 169,317 | 280,445 |
| OTHER DEDUCTIONS | N\A | N\A | N\A | N\A | 0 | 3,967 | N\A | 0 | 395,081 | 448,124 |
| NET INCOME(LOSS) | N\A | N\A | N\A | N\A | ($10,988) | ($16,703) | N\A | ($58,920) | ($204,159) | ($84,251) |
| PERCENTAGE DISTRIBUTION OF OPERATING REVENUES: | | | | | | | | | | |
| OPERATING AND MAINTENANCE EXPENSES | N\A | N\A | N\A | N\A | 122.47% | 134.82% | N\A | 177.79% | 72.11% | 68.93% |
| DEPRECIATION & AMORTIZATION EXPENSES | N\A | N\A | N\A | N\A | 9.78% | 13.63% | N\A | 198.52% | 16.52% | 16.39% |
| TAXES OTHER THAN INCOME | N\A | N\A | N\A | N\A | 9.09% | 4.95% | N\A | 2.81% | 10.28% | 10.19% |
| INCOME TAXES | N\A | N\A | N\A | N\A | 0.00% | 0.00% | N\A | 0.00% | 0.05% | 0.47% |
| TOTAL DEDUCTIONS | N\A | N\A | N\A | N\A | 141.34% | 153.40% | N\A | 379.12% | 98.96% | 95.98% |
| NET OPERATING INCOME (LOSS) | N\A | N\A | N\A | N\A | -41.34% | -53.40% | N\A | -279.12% | 1.04% | 4.02% |

CLASS "C" WATER UTILITIES
PLANT STATISTICS AND RELATED INFORMATION
DECEMBER 31, 1986 AND 1987

| | WHIDBEY WEST (56) | | WILLIAM F. KOHLWES WATER COMPANY (57) | | W. B. WATER WORKS (58) | | THE W. MAIN CORPORATION, UTILITIES DIV. (59) | | TOTAL CLASS "C" WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| CUSTOMERS: | | | | | | | | | | |
| RESIDENTIAL-ANNUAL AVERAGE | N\A | N\A | N\A | N\A | 300 | 300 | 104 | 95 | 11,649 | 10,701 |
| COMMERCIAL-ANNUAL AVERAGE | N\A | N\A | N\A | N\A | 0 | 0 | 2 | 2 | 349 | 155 |
| INDUSTRIAL-ANNUAL AVERAGE | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 4 | 5 |
| OTHERS-ANNUAL AVERAGE | N\A | N\A | N\A | N\A | 0 | 0 | 16 | 16 | 29 | 39 |
| TOTAL CUSTOMERS | N\A | N\A | N\A | N\A | 300 | 300 | 122 | 113 | 12,031 | 10,899 |
| OTHER STATISTICS: | | | | | | | | | TOTAL AVERAGE CLASS "C" WATER UTILITIES | |
| NO. OF WELLS | N\A | N\A | N\A | N\A | 9 | 9 | N\A | 2 | 4 | 4 |
| CAPACITY OF PUMPS -- (GPM) | N\A | N\A | N\A | N\A | 410 | 390 | N\A | 513 | 559 | 600 |
| CAPACITY OF RESERVOIRS OR TANKS (GALLONS) | N\A | N\A | N\A | N\A | 170,000 | 195,000 | N\A | 220,000 | 144,059 | 144,489 |
| AVG. ANNUAL RESDENTIAL USE PER 1,000 GAL. | N\A | N\A | N\A | N\A | N\A | 59.90 | N\A | 286.84 | N\A | 150.61 |
| AVG. ANNUAL RESDENTIAL COST PER 1,000 GAL. | N\A | N\A | N\A | N\A | N\A | $1.34 | N\A | $0.76 | N\A | $0.82 |
| AVERAGE RESIDENTIAL MONTHLY BILL | N\A | N\A | N\A | N\A | N\A | $6.69 | N\A | $18.21 | N\A | $16.86 |
| GROSS PLANT INVESTMENT PER CUSTOMER | N\A | N\A | N\A | N\A | N\A | $321.88 | N\A | $853.70 | N\A | $725.38 |

CLASS "C" WATER UTILITIES
ACCUMULATED DEPRECIATION SCHEDULE
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| ACCUMULATED DEPRECIATION | WHIDBEY WEST (56) | | WILLIAM F. KOHLWES WATER COMPANY (57) | | W. B. WATER WORKS (58) | | THE W. MAIN CORPORATION, UTILITIES DIV. (59) | | TOTAL CLASS "C" WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| Structures & Improvements | N\A | N\A | N\A | N\A | $201 | $291 | $147,518 | $189,423 | $399,670 | $376,256 |
| Collecting & Impounding Reservoirs | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $32,429 | $21,774 |
| Lake River & Other Intakes | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $0 | $0 |
| Well & Springs | N\A | N\A | N\A | N\A | 3,228 | 4,015 | 0 | 0 | $369,735 | $433,125 |
| Supply Mains | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $114,879 | $154,809 |
| Power Generating Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $4,680 | $6,244 |
| Pumping Equipment | N\A | N\A | N\A | N\A | 2,780 | 3,363 | 0 | 0 | $332,933 | $378,121 |
| Water Treatment Equipment | N\A | N\A | N\A | N\A | 272 | 823 | 0 | 0 | $15,178 | $10,681 |
| Distribution Reservoirs & Standpipes | N\A | N\A | N\A | N\A | 3,835 | 4,697 | 0 | 0 | $220,931 | $281,345 |
| Trans. & Dist. Mains | N\A | N\A | N\A | N\A | 0 | 124 | 0 | 0 | $1,492,324 | $1,724,887 |
| Services | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $127,606 | $142,681 |
| Meter & Meter Installations | N\A | N\A | N\A | N\A | 82 | 366 | 0 | 0 | $89,374 | $98,695 |
| Hydrants | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $50,392 | $50,932 |
| Other Plant and Misc.Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $37,858 | $47,619 |
| Office Furniture and Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $27,344 | $30,629 |
| Transportation Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $121,057 | $126,040 |
| Tools, Shop and Garage Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $16,888 | $15,860 |
| Power Operated Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | $16,521 | $19,613 |
| Other Tangible Plant | N\A | N\A | N\A | N\A | (1) | (1) | 0 | 0 | $18,392 | $18,862 |
| Total Accumulated Depreciation | N\A | N\A | N\A | N\A | $10,397 | $13,678 | $147,518 | $189,423 | $3,488,192 | $3,938,173 |

| CURRENT RATES & SERVICE LIVES | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Account Description | LIFE | RATE | LIFE | RATE | LIFE | RATE | LIFE | RATE | AVG.LIFE | AVG.RATE |
| Structures & Improvements | N\A | N\A | N\A | N\A | 35 | 2.53% | N/A | N/A | 29 | 3.25% |
| Collecting & Impounding Reservoirs | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 5 | 0.16% |
| Lake River & Other Intakes | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 0 | 0.00% |
| Well & Springs | N\A | N\A | N\A | N\A | 25 | 3.99% | N/A | N/A | 27 | 3.59% |
| Supply Mains | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 5 | 0.41% |
| Power Generating Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 1 | 0.15% |
| Pumping Equipment | N\A | N\A | N\A | N\A | 20 | 4.26% | N/A | N/A | 20 | 5.34% |
| Water Treatment Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 5 | 1.32% |
| Distribution Reservoirs & Standpipes | N\A | N\A | N\A | N\A | 50 | 2.71% | N/A | N/A | 24 | 1.61% |
| Trans. & Dist. Mains | N\A | N\A | N\A | N\A | 50 | 1.00% | N/A | N/A | 45 | 2.33% |
| Services | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 19 | 1.65% |
| Meter & Meter Installations | N\A | N\A | N\A | N\A | 35 | 2.10% | N/A | N/A | 25 | 2.53% |
| Hydrants | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 18 | 1.29% |
| Other Plant and Misc.Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 6 | 0.74% |
| Office Furniture and Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 8 | 4.24% |
| Transportation Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 2 | 4.24% |
| Tools, Shop and Garage Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 6 | 3.01% |
| Power Operated Equipment | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 1 | 0.59% |
| Other Tangible Plant | N\A | N\A | N\A | N\A | 0 | 0.00% | N/A | N/A | 4 | 0.96% |

CLASS "C" WATER UTILITIES
UTILITY PLANT ACCOUNTS
BALANCE END-OF-YEAR: DECEMBER 31, 1986 AND 1987

| Account Description | WHIDBEY WEST (56) | | WILLIAM F. KOHLWES WATER COMPANY (57) | | W. B. WATER WORKS (58) | | THE W. MAIN CORPORATION, UTILITIES DIV. (59) | | TOTAL CLASS "C" WATER UTILITIES | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 | 1986 | 1987 |
| **UTILITY PLANT** | | | | | | | | | | |
| Organization | N\A | N\A | N\A | N\A | $0 | $0 | $0 | $0 | $24,264 | $23,781 |
| Franchises | N\A | N\A | N\A | N\A | 150 | 150 | 0 | 0 | 2,916 | 3,009 |
| Land and Land Rights | N\A | N\A | N\A | N\A | 4,400 | 4,400 | 0 | 0 | 343,095 | 351,274 |
| Structures and Improvements | N\A | N\A | N\A | N\A | 2,750 | 3,553 | 285,892 | 285,892 | 1,150,314 | 824,528 |
| Collecting and Impounding Reservoirs | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 93,729 | 93,729 |
| Lake River and Other Intakes | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 17,116 | 17,116 |
| Wells and Springs | N\A | N\A | N\A | N\A | 19,678 | 19,678 | 0 | 0 | 1,569,534 | 1,460,400 |
| Supply Mains | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 316,151 | 343,522 |
| Power Generation Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 511 | 511 |
| Pumping Equipment | N\A | N\A | N\A | N\A | 11,615 | 12,118 | 0 | 0 | 1,234,334 | 1,254,592 |
| Water Treatment Equipment | N\A | N\A | N\A | N\A | 12,335 | 12,625 | 0 | 0 | 119,375 | 100,880 |
| Distribution Reservoirs and Standpipes | N\A | N\A | N\A | N\A | 31,724 | 31,776 | 0 | 0 | 1,200,097 | 1,343,851 |
| Transmission and Distribution Mains | N\A | N\A | N\A | N\A | 0 | 12,389 | 0 | 0 | 6,945,264 | 6,169,436 |
| Services | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 664,469 | 737,849 |
| Meters and Meter Installations | N\A | N\A | N\A | N\A | 6,342 | 13,554 | 0 | 0 | 379,267 | 422,515 |
| Hydrants | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 231,957 | 235,302 |
| Other Plant and Misc. Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 313,381 | 303,750 |
| Office Furniture and Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 80,213 | 80,523 |
| Transportation Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 156,398 | 158,304 |
| Tools, Shop and Garage Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 46,161 | 45,302 |
| Power Operated Equipment | N\A | N\A | N\A | N\A | 0 | 0 | 0 | 0 | 18,218 | 19,135 |
| Other Tangible Plant | N\A | N\A | N\A | N\A | (1) | (2) | 0 | 0 | 322,429 | 259,120 |
| Total Utility Plant | N\A | N\A | N\A | N\A | $88,993 | $110,241 | $285,892 | $285,892 | $15,229,192 | $14,248,429 |
| **UTILITY PLANT** | | | | | | | | | | |
| Non-Depreciable | N\A | N\A | N\A | N\A | $4,550 | $4,550 | $0 | $0 | $370,275 | $378,063 |
| Depreciable | N\A | N\A | N\A | N\A | 84,443 | 105,691 | 285,892 | 285,892 | 14,858,917 | 13,870,366 |
| Total Utility Plant | N\A | N\A | N\A | N\A | $88,993 | $110,241 | $285,892 | $285,892 | $15,229,192 | $14,248,429 |